Application

(Original)

The Residence at Alive Hospice --Murfreesboro

CN1806-025

)SG Development Support Group



June 22, 2018

Mark A. Farber, Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE:

CON Application Submittal--Revised Numbering of June 15 Submittal

Alive Hospice, Inc.--Residential Hospice Expansion

Murfreesboro, Rutherford County

Dear Mr. Farber:

This letter transmits an original and two copies of the subject application as originally filed on June 15--but with the Section and Item Numbering changed to conform to the current master CON form on your website. This includes our separation pages for the Attachments. Please let me know if I missed any changes that needed to be made.

Apologies for not having noticed this difference since we started using the 2016 form.

We will be responding to your substantive supplemental questions within a few days.

Respectfully,

John Wellborn

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY: ALIVE RESIDENTIAL HOSPICE - MULFILES BORD

I, <u>JOHN WELLBORN</u>, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Şignature/Title

Sworn to and subscribed before me, a Nota	ary Public, this the 22	day of <u>June</u> , 20 <u>18</u> ,
witness my hand at office in the County of _	DAULOSA	, State of Tennessee.

NOTARY PUBLIC

My commission expires ______ 03 · 08 , 2021 .

HF-0043

Revised 7/02



Ban anger

June 15, 2018

Melanie Hill, Executive Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE:

CON Application Submittal

In Weller

Alive Hospice, Inc.--Residential Hospice Expansion

Murfreesboro, Rutherford County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

The applicant requests consent calendar review, for reasons set forth in the application.

I am the contact person for this project. Jerry Taylor is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn

Consultant

THE RESIDENCE AT ALIVE HOSPICE MURFREESBORO

CERTIFICATE OF NEED APPLICATION TO EXPAND FROM TEN TO SIXTEEN RESIDENTIAL HOSPICE BEDS

Filed June 2018

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

The Residence at Alive Hospice Murfree	sboro	
Name		
1629 Williams Drive		Rutherford
Street or Route		County
Murfreesboro	TN	37129
City	State	Zip Code
https://www.alivehospice.org/		
Website Address		

2. Contact Person Available for Responses to Questions

John Wellborn	Consultant			
Name	Title			
Development Support Group		jwdsg(@comcast.net	
Company Name	E-Mail Address			
4219 Hillsboro Road, Suite 210	Nashville	TN	37215	
Street or Route	City	State	Zip Code	
CON Consultant	615-665-20)22	615-665-2042	
Association With Owner	Phone Number Fax Number			

NOTE: Section A is intended to give the applicant an opportunity to describe the project. Section B addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures. Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.

CERTIFICATE OF NEED APPLICATION

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Development Support Group		@comcast.net		
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CON Consultant	615-665-20)22	615-665-2042	
Association With Owner	Phone Nun	Fax Number		

NOTE: Section A is intended to give the applicant an opportunity to describe the project. Section B addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures. Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview <u>not to exceed three pages in total</u>, explaining each numbered point.

1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

The applicant, Alive Hospice, Inc., is a not-for-profit hospice organization headquartered in Nashville. The applicant is licensed to provide a comprehensive range of hospice services in twelve Middle Tennessee counties. It provides hospice care through visits to patients at "declared residences" beds in their homes, assisted living facilities, nursing homes, and hospitals, and in two freestanding inpatient Residential Hospice facilities--one in Davidson County and one in Rutherford County.

In this application, Alive proposes to add six beds to its ten-bed inpatient Alive Residential Hospice in Rutherford County. This Residence is located in its own one-story, 20,592 square foot building at 1629 Williams Drive in Murfreesboro, near Saint Thomas Rutherford Hospital.

The project will be implemented by internal renovation of the facility's space, and will not require new construction. The area of renovation will be only 1,680 SF. The project will not provide any clinical level of hospice care not already offered at this location. Nor will it add new counties to either this facility's primary service area or to the service area of the facility's parent organization.

The proposed six-room internal expansion of the Murfreesboro Residence will give the facility a total of sixteen private patient rooms. The additional rooms will be created within the hospice's current footprint, which occupies approximately 80% of its building. (The other 20% of the building is occupied by an Alive Hospice branch office, which is not part of the Residence or of this application.)

The building was completed only a year ago. Its design intentionally incorporated most of what was needed for a future bed expansion: e.g., extra floor space, stubbing in of utilities, medical gases, etc. As a result, existing space that is currently used for spare staff offices and spare family meeting rooms can be converted economically to six additional patient rooms. After the conversion, the Residence will still have office and family room space appropriate for a sixteen-bed hospice operation.

2) Ownership Structure

Alive Hospice, Inc. is the applicant (referred to herein as "Alive Hospice" or "Alive"). It is a not-for-profit multi-site 501(C)(3) charitable organization.

Alive provides hospice care of all types and levels of service, under three State licenses for hospice care-one license for hospice care in declared hospice beds in space that belongs to

other entities (e.g. private homes, assisted living facilities, nursing homes, hospitals) and two for Alive's own two licensed Residential Hospices, which admit patients who have no alternative residences available to them. Specifically:

- (a) Under its home care license, Alive operates a fifteen-bed inpatient hospice unit leased from TriStar Skyline Medical Center in Madison, Davidson County. Those beds are in one nursing unit under Alive's control, but they remain licensed acute care beds of the hospital.
- (b) Alive serves patients in declared hospice beds at patients' private home, at area nursing homes, and at area assisted living facilities. The nursing home beds remain licensed to the nursing homes. None of these beds require licensure to Alive; if licensed they remain licensed to the host facility.
- (c) Alive operates its own thirty-bed, free-standing Residential Hospice in Nashville, Davidson County, and its own ten-bed, free-standing Residential Hospice in Murfreesboro, Rutherford County. Each Residence has its own license as a Residential Hospice--but they operate under Alive Hospice's umbrella Medicare and Medicaid provider numbers.

3) Service area

Alive Hospice, Inc. is authorized to operate in twelve Middle Tennessee Counties. For this application, the project's <u>primary</u> service area is Alive's self-designated five-county "southern" service area--consisting of Bedford, Cannon, Coffee, DeKalb, and Rutherford Counties. (Alive's self-designated seven-county "northern service area" consists of Cheatham, Davidson, Dickson, Robertson, Sumner, Williamson, and Wilson Counties).

Both of the Alive Residential Hospices can, and do, admit patients from any of these twelve counties. However, to optimize accessibility for patient families, most Murfreesboro Residence admissions are accepted from Alive's southern service area, while most Nashville Residence admissions are accepted from Alive's northern service area. Both facilities also serve a small number of patients who resided outside these twelve counties before they declared their final residence to be at the Residences in Davidson or Rutherford Counties.

4) Existing similar service providers

There are no other Residential Hospice facilities in the service area counties. Alive Hospice, Inc. operates the only two such facilities.

There are thirteen hospice organizations (Alive and twelve others) authorized to serve patients in one or more of this project's five-county primary service area. However, none other than Alive offers a licensed Residential Hospice facility for patients who have no other alternative sites of service. The Residence at Alive Hospice Murfreesboro is a unique resource for the service area. When Alive filed its 2014 CON application to establish this Residence, it had overwhelming community support, and was unopposed by any hospice provider or any other entity or person.

5) Project cost

The project cost is estimated to be \$536,310. This includes renovation, a construction contingency, associated professional fees, the cost of the CON process, and equipment and miscellaneous capital costs.

6) Funding

The applicant will finance the project by a second capital campaign. If that campaign does not achieve full funding of this project's costs, the applicant will fund the balance from operating cash.

7) Financial feasibility, including when the proposal will realize a positive financial margin; and

The Residence at Murfreesboro attained a positive financial margin in January-April 2018. It will continue to be positive after the proposed licensure of six additional resident beds.

8) Staffing

The projected additional staff required for this expansion consist of 11.5 FTE's.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

1) Need

The State Health Plan, in Criterion #12, states an expectation that a CON applicant will provide all levels of hospice care, or an explanation of why it would not.

This facility received CON approval in 2014, to complete the range of facilities in which Alive delivers all levels of hospice care to this five-county southern service area--as Alive already did in its seven-county northern service area. The void filled by this Residence was accessible residential care in a dedicated licensed facility, for patients not able to receive it in other settings that are served by Alive (hospitals, skilled nursing facilities, assisted living facilities, and private homes).

Within months of opening, the Residence at Murfreesboro was <u>full with a waiting list</u>. Currently, it cannot meet all of the service area needs for its care, without adding bed capacity. The ten beds at this Residence attained virtually 100% occupancy during the first four months of 2018, after only seven months of operation. Demand for admissions has generated an average daily census of ten patients for the facility's ten beds thus far in 2018. The Residence is at maximum occupancy.

And still, the Residence has a <u>waiting list for admission</u>. This far in 2018, there have been 69 patients who requested admission but were denied or delayed solely from unavailability of a bed at Murfreesboro. They had no economical and accessible alternative for this type of care. Ultimately, their disposition was as follows:

- 11 died before a bed became available;
- 14 had to be placed at distant residential beds a long drive to the north--in Alive beds at its Nashville Residence, or in leased Alive beds at TriStar Skyline Medical Center-Madison;
- 4 had to prolong their local hospital stays;
- 30 eventually gained admission to the Murfreesboro Residence;
- The remainder did not achieve the residential or respite care that they needed.

No alternative facility is available to meet this demand. The project is a unique area resource for patients needing residential hospice care without access to such beds in a hospital, nursing home, assisted living facility, or private home. This is the only Residential Hospice facility in the primary service area; alternative residential hospices in Nashville and Chattanooga are very long drives away. Without additional bed capacity, the Residence cannot continue to fulfill its responsibilities to meet all the needs of the service area.

The project is <u>essential to provide charity hospice care</u> in this area. The applicant, Alive Hospice, Inc. is the State's foremost charitable care hospice provider. Alive provided 56% of the combined charity care of the 15 hospice providers authorized to serve this project's five primary service area counties. Alive provided 52% of the combined charity care of the 17

hospice organizations authorized to serve its entire twelve-county Middle Tennessee service area. Statewide, Alive provided 21% of all the charity care reported by Tennessee hospices in 2017. (Note: These statistics are for agencies' total charity care in all counties for which they are licensed, not their charity care for patients of Alive's service area. The latter is not available because the JAR's do not report charity by patient county.)

2) Economic Feasibility

The Alive Residential Hospice at Murfreesboro currently operates with a positive cash flow and positive net income. The proposed expansion of capacity to approximately half the bed size of Alive's Nashville Residence will strengthen the operation financially.

The project cost is very small. Based on the strong success of the capital campaign that funded the initial development of the Murfreesboro Residence, the applicant will seek to fund this internal bed addition through a second capital funds campaign for additional community contributions. If there is a shortfall of pledged funding from the capital campaign, Alive has the capacity to expend operating cash to complete the project.

3) Appropriate Quality Standards

This provider offers exceptionally high-quality care as measured by operational standards of Tennessee Licensure, Medicare, the Joint Commission, and other external organizations. Its staff are highly trained and its staffing patterns are very high, comparable to acute care facility nursing units. Alive has never been penalized by Medicare or the Licensing Board. It provides a model of care for other Tennessee hospice organizations.

4) Orderly Development of adequate and effective health care

The establishment of this Residence in 2017 filled a void in the array of options needed by hospice patients in this service area. For area residents, commuting time to visit loved ones in Residential Hospices in Nashville and Chattanooga were prohibitively arduous and time-consuming, requiring two or more hours of round-trip drive time. The opening of ten residential hospice beds at Murfreesboro improved accessibility to care for the five counties that Alive is authorized to serve south of Nashville. The demand for residential beds projected by Alive's 2014 CON application was exceeded by an almost immediate jump to full utilization after only two calendar quarters of operation.

The needs identified in 2014, and borne out by the Residence's utilization history, remain strong today. The facility operates at full capacity on its ten beds and has more than met the HSDA's expectations in awarding it initial CON approval. It is the only such resource available in its primary service area. The two alternative resources for this type of care are very far from area families, making commuting difficult; and they are also operating at high occupancies. The facility has a waiting list. Charity care responsibilities of this applicant have been fulfilled locally, regionally, and Statewide.

Adding bed capacity at this unique service area facility therefore will be an orderly step to maintaining needed hospice care resources.

C. Consent Calendar Justification

If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

The applicant requests consent calendar expedited review.

The project requires no new construction and requires a very small capital expenditure.

This facility was approved unanimously in 2014 by the CON Board, with no opposition and with very strong public support.

Time is of the essence because the facility has a waiting list for admissions and the patients who are waiting for admission are dying. Delay in providing them hospice care should be minimized if possible. Without consent calendar review, the project will be delayed from an August construction start to an October start, lengthening admission wait times by 60 days.

SECTION A (CONTINUED): PROJECT DETAILS

4.A. Owner of the Facility, Agency, or Institution

Alive Hospice, Inc.		615-327-1085
Name		Phone Number
1718 Patterson Street		Davidson
Street or Route		County
Nashville	TN	37203
City	State	Zip Code

B. Type of Ownership or Control (Check One)

		F. Government (State of TN or
A. Sole Proprietorship		Political Subdivision)
B. Partnership		G. Joint Venture
C. Limited Partnership		H. Limited Liability Company
D. Corporation (For-Profit)		I. Other (Specify):
E. Corporation (Not-for-Profit)	X	

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website hpps://tnbear.tn.gov/Ecommerce/FilingSearch.aspx.

See Attachment Section A-4A.

<u>Describe</u> the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Alive Hospice, Inc. is a 501 (c)(3) charitable nonprofit organization. It operates through several licensed entities, which it wholly owns. Its two freestanding, inpatient Residences in Nashville and Murfreesboro have their individual licenses as Residential Hospices. All of its other hospice services are provided out of its main office in Nashville and four branch offices in Madison (Davidson County), Murfreesboro (Rutherford County), Hendersonville (Sumner County), and Lebanon (Wilson County). The main office and four branch offices share one common license (#324) as hospice care providers. The home office and branch offices and two Residences all have the same Medicare and Medicaid provider numbers and are centrally managed by the home office in Nashville. Alive also operates an inpatient hospice unit of 15 beds in TriStar Skyline Medical Center--Madison; these beds are in leased space and the beds remain under the hospital license.

An organization chart is attached following this page.



Alive Branch Office -Alive Branch Office – Hendersonville Alive at Skyline Madison Inpatient Unit Alive Hospice Main Office Alive Murfreesboro Home Care Office Alive Residence Murfreesboro Alive Residence Nashville

5A. Name of Management/Operating Entity (If Applicable)

	County
State	Zip Code
	State

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

See Attachment Section A-5A.

6A. Legal Interest in the Site of the Institution (Check One)

A. Ownership	X	D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of Years			

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A for the applicant's deed to the project.

- 6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.
- (1) Plot Plan must include:
 - a. Size of site (in acres);
 - b. Location of structure on the site;
 - c. Location of the proposed construction/renovation; and
 - d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-1.

(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.

See Attachment Section A-6B-2.

(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The project is located less than ten minutes' drive from I-24, which is a major traffic corridor in the service area. Other nearby highways also give good access to the site. US 231 leads southwest to Bedford County; I-24 and SR 55 lead to Manchester and Tullahoma; US 70S goes east to Cannon County, and SR 96 runs east to DeKalb County. Murfreesboro is a retail, higher education, and healthcare center for this five-county region; the region's residents have very good access to Murfreesboro and to the project site.

The tables below shows one-way drive times from service area communities to the Murfreesboro Residence, and to the two closest alternative Residential Facilities in Nashville and Chattanooga.

There is local bus service available to Saint Thomas Rutherford Hospital, which is within two blocks of the project.

Table A-Project-6B(3)-A: Mileage and Drive Times From the Project					
	to Major Communities in the Primary Service Area				
County	City	Distance in Miles	Drive Time		
Bedford	Shelbyville	27.8 miles	43 minutes		
Cannon	Woodbury	21.5 miles	31 minutes		
Coffee	Manchester	35.9 miles	39 minutes		
Coffee	Tullahoma	48.2 miles	57 minutes		
DeKalb	Smithville	42.7 miles	57 minutes		
Rutherford	Murfreesboro	2.6 miles	9 minutes		

Source: Google Maps, June 8, 2018

Table A-Project-6B(3)-B: Mileage and Drive Times from Closest Alternative						
Reside	Residential Hospices To Major Communities in the Primary Service Area					
	To Hospice Care					
		To Alive	e Hospice's	Chattanooga	a Residence at	
F	rom	Nashville	e Residence	Si	skin	
County	City	Miles	Minutes	Miles	Minutes	
Bedford	Shelbyville	58.6 miles	89 minutes	99.2 miles	114 minutes	
Cannon	Woodbury	65.1 miles	61 minutes	95.7 miles	105 minutes	
Coffee	Manchester	66.9 miles	90 minutes	73.2 miles	79 minutes	
Coffee	Tullahoma	79.4 miles	105 minutes	79.5 miles	89 minutes	
DeKalb	Smithville	65.1 miles	88 minutes	93.8 miles	109 minutes	
Rutherford	Murfreesboro	49.7 miles	72 minutes	104 miles	107 minutes	

Source: Google Maps, June 8, 2018.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment		I. Outpatient Diagnostic Center	
Center (ASTC) Multi-Specialty			
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency		K. Residential Hospice	X
E. Hospice		L. Non-Residential Substitution-	
		Based Treatment Center for	
		Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability	H		
Institutional Habilitation Facility			
ICFF/IID			

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution	F. Change in Bed Complement Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation,	
	Distribution, Conversion, Relocation	X
B. Modifying an ASTC with limitation still required per CON	G. Satellite Emergency Department	
C. Addition of MRI Unit	H. Change of Location	
D. Pediatric MRI	I. Other (Specify):	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)		

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply:
x_Amerigroupx_United Healthcare Community Planx_BlueCare
x TennCare Select
Medicare Provider Number: 441501
Medicaid Provider Number: 0441501
Certification Type: Hospice
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?
Medicare Yes No N/A x (existing certified facility)
Medicaid/TennCare Yes No N/A x (existing certified facility)

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.)

	Beds Currently	Beds	Beds	*Beds	**Beds	TOTAL Beds at
1 36 11 1	Licensed	Staffed	Proposed	Approved	Exempt	Completion
1. Medical						
2. Surgical						
3. ICU/CCU						
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent						
Psychiatric						
10. Rehabilitation						
11. Adult Chemical						
Dependency						
12. Child/Adolescent						
Chemical Dependency						
13. Long-Term Care						
Hospital						
14. Swing Beds						
15. Nursing Home SNF						
(Medicare Only)			21			
16. Nursing Home NF						
(Medicaid Only)						
17. Nursing Home						
SNF/NF (dually						
certified MCare/Maid)						
18. Nursing Home-						
Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice	10	10	+6	NA	NA	16
* Pods approved but not						

^{*} Beds approved but not yet in service

^{**} Beds exempted under 10%/3 yrs provision

B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

The project does not involve changing the allocation of beds. Both existing and proposed beds are inpatient residential hospice care beds.

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

CON Number CON Expiration Date Total Licensed Beds Approved

Not applicable. The applicant has no outstanding unimplemented Certificates of Need.

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

Not applicable.

INSERT BLANK HOME HEALTH FORM

12. Squar	are Footage	and Cost Pe	r Square Foots	e Footage and Cost Per Square Footage ChartAlive Hospice KesidenceMunteesporo Existing Existing Temporary Proposed Final Square Fo	Spice Kesidence	Proposed Final Square Footage	potzage
Unit/Department	Location	SF	Location	Location	Renovated	New	Total
lospice Patient Room Renovation	na	1,680	па	Б	1,680	0	1,680
							0
							0
							0
							0
							0
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							0
Unit/Dept GSF Subtotal		1,680			Troon		
Other GSF Subtotal					0		
Total GSF		1,680			1,680		
Total Cost*					\$383,464.00	\$0.00	\$383
**Cost Per Square Foot			- W. W.				\$228.25
					Below 1st Quartile	Below 1st Quartile	Below 1st Quartile
	Cost per Square Foot is Within Which Range?	Foot is Within	Which Range?		Between 1st and 2nd Quartile	Between 1st and 2nd Quartile	Between 1st and 2nd Quartile
It is between the	median and thir	d quartile for h	It is between the median and third quartile for hospital renovations $2015-2017$.	s 2015-2017.	_x Between 2nd and 3rd Quartile	Between 2nd and 3rd Quartile	Between 2nd and 3rd Quartile
					Above 3rd	Above 3rd	Above 3rd
	- 1		Control and a de la collection of the section of th	trop trop trains	١	1	Contract

* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.
** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.
ARCHITECT SHOULD ENTER COST PSF ONLY FOR NEW AND RENOVATED COLUMNS; THE TOTAL COST PSF COLUMN CALCULATES AUTOMATICALLY.

13. MRI, PET, and/or LINEAR ACCELERATOR

<u>Describe</u> the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, <u>and/or describe</u> the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

A. Complete the Chart below for acquired equipment.

Not Applicable. No such equipment is included in the project.

LIN	NEAR ACCELERATOR
Mev:	Total Cost*: \$
Types: (indicate one)	By Purchase?
_ SRS	By Lease?
_ IMRT	
IGRT	Expected Useful Life (yrs):
Other:	New?
	Refurbished?
	If not new, how old (Yrs)?

	MRI
Tesla:	Total Cost*: \$
Magnet: (indicate one)	By Purchase?
_ Breast	By Lease?
Extremity?	
Open?	Expected Useful Life (yrs):
Short Bore?	New?
Other	Refurbished?
	If not new, how old (Yrs)?

	PET
PET Only?	Total Cost*: \$
	By Purchase?
PET/CT?	By Lease?
PET/MRI?	Expected Useful Life (yrs):
	New?
	Refurbished?
	If not new, how old (Yrs)?

^{*}As defined by Agency Rule 0720-9-.01(13)

B. In the case of equipment purchase, include a quote and/or proposal from an equipment
vendor. In the case of equipment lease, provide a draft lease or contract that at least
includes the term of the lease and the anticipated lease payments along with the fair market
value of the equipment.

Not applicable. No such equipment is included in the project.

C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.

Not applicable. No such equipment is included in the project.

D. Schedule of Operations:

Location	Days of Operation (Sun-Sat)	Hours of Operation
Fixed Site (Applicant)		
Mobile Locations		
Applicant		
Name of other location		
Name of other location		

Not applicable. No such equipment is included in the project.

E. Identify the clinical applications to be provided, that apply to the project.

Not applicable. No such equipment is included in the project.

F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.

Not applicable. No such equipment is included in the project.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. <u>Please type each question and its response on an 8 1/2" x 11" white paper, single-sided</u>. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

SECTION B: NEED

A. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency's website at http://tjn.gov/hsda/article/hsda-criteria-and-standards.

Responses begin on the following page.

Project-Specific Review Criteria: Residential Hospice Services

STANDARDS AND CRITERIA APPLICABLE TO BOTH RESIDENTIAL AND HOSPICE SERVICES APPLICATIONS

1. Adequate Staffing: An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise and retain the appropriate numbers of qualified personnel to provide the services described in the application. Importantly, the applicant must document that such qualified personnel are available for hire to work in the proposed Service Area. In this regard, an applicant should demonstrate its willingness to comply with the general staffing guidelines and qualifications set forth by the National Hospice and Palliative Care Organization (NHPCO).

NHPCO has created a tool that supports the staffing analysis for the provision of home care but not a model for the residential hospice facility. As such, Alive has created a staffing model that is unique but consistent across our 3 facilities.

Alive staffs 12-hour shifts, on a minimum of a 5:1 RN-to-patient ratio, which is consistent with the staffing of an acute care general medical surgical floor but often more closely approximates acute care step-down ratios. Alive ensures that there at least 2 RNs are always present in the Residence, regardless of census, to ensure optimal patient safety in the unlikely event of something happening to the RN (illness, injury, etc). Alive further augments the staffing with hospice aides, social workers, a unit coordinator and a director. Chaplains are provided as needed by the branch office staff that occupies another part of this medical office building.

The staffing grid used for budget and staffing 12-hour shifts is shown on the following page.

Hospice S	taffing fo	r Inpatien	t Units (1	Twelve-Ho	ur Shifts)	
	Hospice				Team	Social
Nurses	Aide	Charge RN	Director	Receptionist		Worker
1	0	1	1	1		1
1	0	1	1			1
1	0	1	1			1
1	0	1	1		1	1
1	0	1	1			1
1	0	1	1			1
1	1	1				1
1	1	1				1
1		1				1
1	2	1				1
1	2	1	1			1
2		1				1
2	2	1	1			1
2	2	1				
2			1			
2	2	1	1	1	1	
	Hospico			Unit	Team	Social
Numana		Charge PN	Director			Worker
			Director	Secretary	Coordinator	THE SECOND SECOND
				TOWN SALES		
					N. Juliandian	
1	2					
				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	STEEL COLLEGE	
	7	1 1				
2	2					
2	2	1				
2		1				
	Nurses 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Nurses	Nurses Hospice Aide Charge RN 1 0 1 1 0 1 1 0 1 1 0 1 1 0 1 1 1 1 1 1 1 1 2 1 1 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 3 1 0 1 4 1 0 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 <td>Nurses Hospice Aide Charge RN Director 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 2 1 1 1 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 3 1 1 1 4 1 0 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 <</td> <td>Nurses Hospice Aide Charge RN Director Receptionist 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1<td>Nurses Aide Charge RN Director Receptionist Coordinator 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 1 0 1<!--</td--></td></td>	Nurses Hospice Aide Charge RN Director 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 2 1 1 1 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 3 1 1 1 4 1 0 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 1 0 1 1 <	Nurses Hospice Aide Charge RN Director Receptionist 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 <td>Nurses Aide Charge RN Director Receptionist Coordinator 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 1 0 1<!--</td--></td>	Nurses Aide Charge RN Director Receptionist Coordinator 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 0 1 1 1 1 1 1 0 1 </td

Source: Alive Hospice, Inc. management

Note on NHPCO Process:

The NHPCO in 1994 published guidelines for staffing ratios that provided recommended clinical staffing ranges for varying caseloads. However, since 2010 the NHPCO has changed its approach, recognized the growing complexity of hospice care, and having access to much more extensive databases documenting the great variation in staffing characteristics and practices nationwide. Currently, rather than prescribing staffing ranges based on caseloads, NHPCO outlines a highly sophisticated process for each provider to estimate optimal staffing caseloads that are appropriate to the provider's particular location, care models, patient population, population density, and other factors unique to each service area and hospice patient population. To enable this, NHPCO provides a variety of databases derived from member reporting, State reports, and CMS; and NHPCO outlines and facilitates (through worksheets) an analytical process for a provider to identify data relevant to that provider's situation, and to identify appropriate staffing adjustments above or below relevant national medians.

Alive Hospice utilizes these NHPCO resources and tools to inform its staffing decisions; and Alive's staffing patterns' impacts are continuously evaluated in Alive's internal QAPI process (Quality Assurance and Process Improvement), in terms of their effects on measures of patient outcomes, patient and family satisfaction, and staff satisfaction.

Using the NHPCO process guidelines is complex. Providers first research a National Summary of Hospice Care that includes median statistics for patient caseloads for various staff disciplines, to compare to the provider's own staffing. These data are empirical data; they are not recommendations. NHPCO states that "no research exists that provides evidence for the optimal staffing caseloads that can be linked to producing quality care."

The hospice provider then reviews care models and other factors that need to be considered in evaluating appropriate staffing, and completes NHPCO worksheets to compare the provider's staffing to national norms specific to the provider's care models and patient population.

The next step is for the provider to evaluate the favored staffing matrix on an ongoing basis to ensure that the needs of patients and families are met, that staff are able to perform at an optimal level, and that quality outcomes are achieved. The Quality Assessment and Improvement Process (QAPI) established by Medicare should be used to monitor staffing challenges, adjust staffing caseloads, and evaluate impacts of those changes. Hospices are encouraged by NHPCO to routinely compare their staff performance using measurement tools such as staff satisfaction studies (turnover rates, STAR surveys of staff, etc.), the NHPCO's own Quality Partners Self-Assessment process, and Family Evaluation of Hospice Care (FEHC) surveys.

Alive Hospice works with these processes to ensure consistently superior and effective staffing profiles for its inpatient units and its home care teams. Alive patients are cared for by a five-person team, consisting of a physician, an RN, a social worker who is a pre-bereavement specialist, a hospice aide, and a chaplain.

2. <u>Community Linkage Plan</u>: The applicant should provide a community linkage plan that demonstrates factors such as, but not limited to, relationships with appropriate health care system providers/services, and working agreements with other related community services assuring continuity of care focused on coordinated, integrated systems. Letters from physicians in support of an application should detail specific instances of unmet need for hospice services.

Alive has provided its service area with hospice care of all levels--including Residential Care--for some time, and has developed strong community linkages. These include working relationships with many healthcare providers including hospitals, nursing homes, and assisted living facilities. A formal plan for this is not necessary in that the applicant has already established its presence and its linkages by being operational in the service area counties for a period of years, and serving hundreds of patients from these areas, over time

Since opening the Murfreesboro Residence, Alive has been able to augment its already strong program of community outreach by including grief support as well as community-based education on end-of-life related topics.

	Table	B-State Health Pla	n Criterion 2	
				2018
Presentations	2016	2017	Q1 2018	Annualized
Grief Sessions	163	164	90	360
(attendees)	1,212	1,266	485	1,940
Misc. Presentations	24	31	16	64

Following this page is a comprehensive eight-page list of Alive's various presentations to community groups as well as to providers who serve the area, in 2016 through YTD 2018. It shows the great diversity of public and private organizations to which representatives of Alive Hospice continuously make educational presentations, in the communities Alive serves.

In 2017 for the Murfreesboro area, Alive provided 753 individual counseling sessions (or 164 unique clients—both adult and children. Forty-six children ages 6-14 attended Camp Forget-Me-Not.

In 2018 YTD through April for Murfreesboro area, Alive provided 377 individual counseling sessions to 115 unique clients; and 50 children are registered for Camp FMN, with waiting list already.

Events that Alive ramped up upon opening Murfreesboro facility included Grief & Holidays seminars, Memorial Services, and Lunch & Learn gatherings.

Organization Receiving Presentation				Grand
	2016	2017	2018	Total
2017 ADEC Annual Conference (ADEC is the Association for Death		00		80
Education and Counseling)	45	80		80
Abe's Garden Assisted Living Facility	15			23
Abe's Garden New Employee Orientation	23	-		13
Acquinas BSN Nursing program	13			
Alignment Nashville - Social Emotional Learning Conference city-			1	
wide for all educators, counselors, support staff, community	İ	60	į	60
involvment	20	00		20
Alive Faith/Spirituality Symposium	20	39		39
Alive Hospice Clergy Breakfast		7		7
Alive Interfaith Breakfast	20	92	241	371
Alive Lunch and Learn	38	92	241	40
All About Women/Community	40	200		200
Alzheimer Association		200	50	50
Alzheimer's Association Mid Tn			50	
American Baptist College, Community Members and other faith			1	
based organizations - Fairfield MB Church, Susan G Komen Central		40		40
TN, NCBWI		40		40
American Muslim Advisory Council		50	_	50
Ashland City Medical Group	6	- 11		6
Ashley's Voice Caregiver Group	- 10	11		11
Aspire Health	13			13
Bellevue Community Center Senior Group		25	40	25
Belmont Nursing School NP students			40	40
Belmont University		30		30
Belmont University		19		19
Bethlehem Temple Community Church		4		4
Blue Cross Blue Shield of TN Case Managers	85			85
	İ			0
Brenthaven Church Brentwood, Aging Benefits and Challenges Group			8	8
Brighton Gardens ALF	10			10
Broadmore ALF	25			25
Brookdale Hendersonville	30			30
Buena Vista Heights Neighborhood Association		30		30
Caldwell Elementary		150		150
Caldwell Elementary School	200			200
Cannon County Senior Center	20			20
Cannon County Senior Citizens Center		17		17
Caregiver Relief of Bedford County		20		20
Caregiver Relief Program of Bedford County			40	40
Centennial Case Managers and SW	28			28
Centennial Medical Center hospitalists			16	16
Centennial Oncology nirses		15		15
CFC - Nashville/Franklin IRS		30		30
Cheatham Place		15		15

Organization Receiving Presentation		TANK T	THE CALL	Grand
	2016	2017	2018	Total
Cheryl Webster		42		42
Chippington Towers		8		8
Chippington Towers 1		12	6	18
Chippington Towers 2		26		26
Christ Church YMCA		200		200
Christ Presbyterian Church Stephen Ministry/Congregation	60			60
Christian Care of Bedford County (Nursing Home)	32			32
Cigna Health Spring	85			85
Cigna-Healthspring Case Managers	30			30
City of La Vergne Employees		30		30
City Road UMC			30	30
Claiborne and Hughes PLUS Community		20		20
Clark Memorial UMC		35		35
CMS	200			200
Community	542	182	22	746
Community	105	130		235
Community Clergy		12		12
Community- Council on Aging	700			700
Community Health Fair	125	105		230
Community Lebanon		18		18
Community Lunch and Learn	381	586	319	1286
Community of Spring Hill		75		75
Community- The Golden Years, presented by Progress Inc	160			160
Community, Meharry-Vanderbilt		20		20
Community/Friends and Potential Friends of Alive Hospice		268		268
Congregation Micah	55	35		90
Congregation Micah		35		35
Consumers Insurance		25		25
Cummins Inc.	42	85	60	187
Davidson County Sheriffs Dept and community		75		75
Daymar Institute	22			22
DCI		12		12
DCI (Dialysis Centers, Inc.)	30			30
Del Webb Womens Group			50	50
Delta Sigma Theta Health Fair			110	110
Edgefield Manor		40		40
Edgefiled Senior Tower	35			35
Elder Law Expo		175	150	325
Elder Law Expo at VOL STATE		200		200
Exchange Club of Murfreesboro	13			13
	80			80
Fairfield Baptist Church FASS		132		132
		20		20
Father Ryan Catholic High School	20	20		20
Fifty Forward - Bordeaux	30			30
Fifty Forward - Murfreesboro	30			

Organization Receiving Presentation				Grand	
organization receiving resentation	2016	2017	2018	Total	
FiftyForward College Grove	30			30	
FiftyForward Donelson			100	100	
FiftyForward Knowles		40		40	
FiftyForward Knowles - Foster Grandparents			62	62	
FiftyForward Madison			2	2	
FiftyFoward Martin Center		15		15	
First Baptist Church Nashville			50	50	
First Baptist Church, Capitol Hill	50			50	
First Baptist South Inglewood Church		50		50	
First Presbyterian Church			18	18	
First UMC	8			8	
First United Methodist Church Murfreesboro, Women's Group			27	27	
Fourth Ave. Church of Christ			40	40	
Frank Gluck, Lana Deter		150		150	
Friendship Christian School	20			20	
Friendship Christian School Pre Nursing Class		16		16	
Gilda's Club	12	6		18	
Gilda's Club			20	20	
Golden Years - Senior Health Fair for Progress INC.		250		250	
Grace Church		40		40	
Green Hills Library			11	11	
Ground Hogs Day			250	250	
Harpeth Hills Church of Christ	20			20	
Harris - Hillman			25	25	
Harris Hillman Elementary	30			30	
Hattie Cotton Elementary School			20	20	
Hattie Cotton Elementary School			20	20	
Haynes Middle School			20	20	
HCA Nurse Residency Program			8	8	
Heartland Christian Towers	30			30	
Hendersonville Chamber Health and Wellness Fair			75	75	
Hendersonville Community		127		127	
Hendersonville Senior Center		51		51	
Hendersonville Senior Center		50	52	102	
Hillsboro Presbyterian Life Group	12			12	
Hispanic Community		16		16	
Hispanic Community Millennials		14		14	
Holy Trinity Lutheran Church	35			35	
Holy Trinity Lutheran Church	25			25	
Home Instead- Franklin		8		8	
Home Instead- Nashville and Lebanon		8		8	
Humane Assoc.	6			6	
Jennie Geminani		30		30	
Jewish Family Services		15		15	
Kelly Miller Smith Towers			4	4	

Organization Receiving Presentation	2016	2017	2018	Grand Total
Kurdish community	2010	2017		2
Lake Providence Baptist Church		80		80
Lake Providence MB Church	40			40
	75			75
Leadership Nashville		8		8
Lebanon Lunch and Learn - Community		65		65
Lebanon Rotary		- 05	200	200
Lebanon Senior Center		11	200	11
Lebanon Senior Center Grief Support Group	20	11		20
Lions Club	20	20		20
Lipscomb Death & Dying class				8
Lipscomb University		8		
Lipscomb University sophomore level students. "Kingdom Nursing"				
class, which introduces students to the multitude of professional				60
nursing disciplines.		60		60
Lipscomb University Undergraduate class		65		65
Lipscomb University" Undergraduate Class on Ethics	50			50
Maristone Franklin ALF		10		10
Matthew Walker		270		270
Matthew Walker Red and White Affair			180	180
Matthew Walker SALT		15		15
Matthew Walker Senior Expo @ St Luke CME Church			60	60
Maybell Carter Assisted Living		35		35
Mayor Megan Barry	1			1
McGruder Family Resource Center	100			100
McGruder FRC/Community	85			85
McKendree Village Towers		8		8
Medalogix	15			15
Media - Daily News Journal	1			1
Meharry Medical College	105			105
Meharry Medical College	115	500		615
Meharry Medical College Capstone			65	65
	3			3
Meharry Medical College Family Med Class		65		65
Meharry Medical College Internal Medicine	40	0.5		40
Meharry Medical College- Psych Grand Rounds	40		6	6
Meharry Medical College, Ethics Class				50
Meharry Medical College/Metro General Hospital - Surgery Teams	50			50
Meharry Medical, Ethics Class		5		
Mental Health America of Middle Tennessee		20		20
Mental Health Cooperative		60		60
Meryl Lynch Brentwood Office		20		20
ME's staff	18			18
Metro Schools	500			500
Middle Tennessee State University	50	67	70	187
Middle TN Case Managers Monthly Meeting	58			58
MidTN Health Fair-		180		180

Organization Receiving Presentation	N. S. A. T.	Za Park and a		Grand
	2016	2017	2018	Total
Mission Point	25			25
MNPS Career Fair		1000		1000
Motlow State Community College School of Nursing (First Year				
Nursing students)	50			50
Mount Juliet Senior Center		68	60	128
Mt. Zion Baptist Church	175	150		325
MTSU - Nonprofit Summit @ Volunteer/Internship Fair		100		100
MTSU- Family Life Class	45			45
Murfreesboro Clergy Breakfast		18		18
Murfreesboro Interfaith Breakfast			22	22
Murfreesboro Medical Clinic - Gastroenterology	25			25
Murfreesboro Medical Clinic - Internal Medicine	50			50
Murfreesboro Noon Rotary	150			150
Nashville Healthcare Council Entrepreneur Center's "Health Tech				
Exchange" (Panel discussion)	20			20
Nashville Islamic Community		7		7
Nashville Metro General Hospital and Community		70		70
Nashville Pride		650		650
National Association of Retired Federal Employees	15			15
New Creation Church			7	7
Newspaper - Lebanon Democrat	1			1
Northwest Family YMCA			11	11
NPT (Nashville Public Television)	16			16
Oncology Nurse Residents HCA			6	6
Owen Graduate School of Management Business School Class	100			100
PAC Evolution Summit	80			80
Paradigm Group		18		18
Park Manor Residents		15		15
Park Place Hendersonville			75	75
Parkway Baptist Church Cancer Support Group		10		10
PEO	32			32
PEO Chapter AG, Franklin	27			27
Prospective Donors	40			40
Public	160			160
Pulmonary Hypertension Awareness Organization		50		50
QCMN PCP IPA meeting		20		20
Quality Care Health and Rehab- Lebanon TN		80		80
Radnor Towers			11	11
RCCOA with St. Clair Street Seniors and Community		40		40
Richland Place	32			32
Richland Place Healthcare	20			20
Rutherford Co. schools	208			208
Rutherford County		40		40
Rutherford County Council on Aging			23	23
SALT		20		20

Organization Receiving Presentation	2016	2017	3018	Grand
	2016	2017 240	2018	Total 471
Siegel High School - HOSA		240	40	4/1
Skyline Hospital hospitalist group			40	40
Smyrna Senior Center	21		40	31
Sow 'n Grow Garden Club	31		12	12
Spiritual Friends Network		20		20
St Thomas Rutherford Hospital, organized by MHAMT		20		84
St. Clair Street Senior Center	20	84		20
St. David's Episcopal Church	20			
St. Georges Episcopal	25	45		25
St. Marks UMC Dementia Caregiver Support Group		15		15
St. Paul's Episcopal Church	0			0
St. Paul's Spring Street Outreach			33	33
St. Thomas		50		50
St. Thomas Camp Bluebird	15			15
St. Thomas Internal Medicine Residents	30			30
St. Thomas Medical Group PCPs	15			15
St. Thomas Medical Network IPA		15		15
St. Thomas West hospitalists	0			0
St. Thomas West, Advanced Heart Failure/LVAD team	15			15
Steps of Success 5K		500		500
StoneCrest Hospital - Case Managers	15			15
Stones River Regional IPA	40			40
Sumner Geriatric Council		30		30
Sunny Day Club	16			16
Support group for Frontotemporal Dementia	8			8
Synergy IPA UM/QM Committee	40			40
Takacs McGinnis Elder Law. Video taping at Channel 5 for program				
to air 4 times in the next month.	1	5000		5000
Taylore Logan		24		24
TCLS - lung and sleep center Hendersonville		10		10
Tennessee Association of School Social Workers State Conference				
held in Nashville. Two days.	1	50		50
Tennessee Conference on Social Welfare		37		37
Tennessee Medicine & Pediatrics	10			10
Tennessee Oncology		23		23
Tennova Lebanon Hospital medical staff			25	25
		8		8
The Manor at Steeplechase	20			20
The Temple	85			85
The Temple - Social Action Program	63	15		15
TN Cancer consortium		12	900	900
TN Child Advocacy Day 2018				
TN Disability Mega Conference			450	450
TN Respite Program Volunteer Caregiver Program		20	15	15
TN State University Death and Dying Class		30		30
TN State University Psych 3530	45			45

Organization Receiving Presentation	2016	2017	2018	Grand Tota
Tom Joy Elementary School		250		250
Town of Smyrna		40		40
Trevecca Towers #1		3		
Trevecca Towers #2		4		4
Tri County Geriatric Council	40			40
Tri Star Centennial Woman's Hospital High Risk OB Nurses - 6W		15		1.
TriMED (TMA) Education Summit		20		2
Tristar Medical Network key physicians		15		1
TriStar Nurse Residency Program (Not sure if Diane has put one in				
yet or not)		80		8
Tristar Summit Dept. of Medicine meeting	25			2
Tristar Summit Oncology Committee	30			3
Tristar Summit Surgery Dept. meeting	35			3
TSU Death and Dying Class		25	30	5
TSU Geriatric Nursing Class		35		3
TSU/DP Foundation			150	15
Tyne Meade Garden Club	12			1
United Methodist Women's Lydia Circle	12			-
United Way of Rutherford and Cannon Counties	50			Ţ
United Way Rutherford - their Leadership group "Catalyst Program". (My contact from United Way was not in attendance) Some UWR board members were also present	49			
USN Evening Classes			4	
UT School of Social Work	15		13	
UT school of SW, Nashville campus, graduate class about diversity		20		
Vanderbillt Perinatal program staff	20			
Vanderbilt Death and Dying in America class		13		
Vanderbilt ENT Residents program		40		
Vanderbilt Home Care		6		
Vanderbilt Medical School and Hospital	85			
Vanderbilt Medical School Students			4	
Vanderbilt Nursing School			14	
Vanderbilt Palliative Care staff	45			
Vanderbilt School-Based Programs VUMC Dept of Psychiatry		30		
Vanderbilt University graduate counseling students (grief and loss class) -	25			
Vandy, Dr. Lauren Prescott			. 1	
Vol State/Station Camp Co-op		5		
WAKM Radio, Senior Expo - Williamson County		150		1
Watson Grove Baptist Church Senior Revival		80		
Watson Grove MB Church	25			
Westbrook Towers		65		
Williamson County Academy Parks and Rec		100		1
Williamson County Enrichment Center/Seniors			100	1
Williamson County Lunch and Learn			15	

Organization Receiving Presentation		The state		Grand
	2016	2017	2018	Total
Williamson Lunch and Learn			12	12
Williamson Medical	3			3
Wilson County Community		38		38
WME Entertainment		100		100
Wood not Christian Church	20			20
Woodbury Nursing Center	54			54
Woodmont Christian Church - Women's Circle	25			25
Belmont UMC Hospital Visitation Team			12	12
Matthew Walker Comprehensive Health Center			21	21
Grand Total	7190	15636	4864	27690

3. <u>Proposed Charges</u>: The applicant should list its benefit level charges, which shall be reasonable in comparison with those of other similar facilities in the Service Area or in adjoining service areas.

Alive's billing rates are the same as Medicare's reimbursement rates. Charges are provided and discussed in detail in response to Section C-Economic Feasibility-C of this application, with appropriate tables. The applicant's charges are reasonable in comparison to those of other providers in this area.

4. Access: The applicant must demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area.

Schedule F of Alive Hospice's Joint Annual Reports document that Alive serves patients in all of its service area counties. This project is not requesting certification / authorization of any additional service area counties.

This is an excellent opportunity for the HSDA Board to give special consideration to a project that expands the primary service area's access to Residential Hospice Care by 60% (adding six new beds to the existing ten beds).

Alive's Residence in Murfreesboro, as the only such resource in its service area, has experienced overwhelming demands for admissions. It is full with a waiting list. An economical increase in bed capacity within its existing building will enable Residence to meet areawide needs more completely than it can with only 10 beds.

- 5. <u>Indigent Care</u>: The applicant should include a plan for its care of indigent patients in the Service Area, including:
- a. Demonstration of a plan to work with community-based organizations in the Service Area to develop a support system to provide hospice services to the indigent and to conduct outreach and education efforts about hospice services.
- b. Details about how the applicant plans to provide this outreach.
- c. Details about how the applicant plans to fundraise in order to provide indigent and/or charity care.

The applicant has a well-documented record of providing charity care at levels unmatched by any other area hospice organization in Middle Tennessee, and is enable to do so through the generosity of hundreds of donors and major benefactors.

Referrals to Alive come from physicians and families based on clinical need and knowledge about Alive's care competencies. Alive then thoroughly screens each referral to ensure that the patient will meet both the Medicare eligibility requirements for hospice care from a clinical perspective, and that the patient is "hospice-ready". If both conditions are met, the

patient is admitted to Alive's hospice service. Alive provides all needed hospice services, regardless of insurance coverage status or ability to pay, to the fullest extent of Alive's financial resources.

Thanks to Middle Tennessee donors, Alive has been able to be such a community resource and hospice safety net for many years. Alive will continue to do so in operating this project. Requests for donor support are ongoing and continuous activities at Alive Hospice, through personal visits, seminars and educational programs, special campaigns, assistance to persons with advance care planning, and other activities. Donor development that enables Alive to maintain its open door charity care policies has been going on for 42 years and will continue indefinitely.

The most recent 2017 Joint Annual Reports of Hospices document the leadership of Alive Hospice in the area of charitable care--in this project's service area, in Alive's 12-county service area, and Statewide.

These reports do not show hospice providers' charity care by county; they show total charity care for all a provider's authorized counties anywhere in the State. Using that data, the table below shows 2017's reported charity care for The Alive Hospice entities, compared to charity care of the twelve other hospices authorized in (a) the primary service area, and (b) Alive's entire 12-county service area.

Table B-State	Health Plan Criterion 5:	Alive Hospice Charity Car	e in FYE 2017
	Compared to Other	Hospice Providers	
		14 Other Hospice	
	12 Other Hospice	Providers Authorized in	
	Providers Authorized in	Alive 's Middle TN	
Providers	Project Service Area	Service Area (12	All Hospice
	(5 Counties)	Counties)	Providers Statewide
Alive Hospice, Inc.	\$972,663 (56%)	\$972,663 (52%)	\$972,663 (21%)
Other Providers	\$770,537 (44%)	\$890,661 (48%)	\$3,693,361 (79%)
Total Charity	\$1,743,200 (100%)	\$1,863,324 (100%)	\$4,666,024 (100%)

Note: Alive operates through 3 licenses (1 hospice license and 2 Residence licenses). Including those, its service area has 17 total licensed hospice providers and this project's 5-county service area has 15 total licensed hospice providers.

JAR data shows that Alive's Statewide charitable care far exceeds that of any other hospice organization. The closest providers (combining their related entities) were Methodist in Memphis (\$569,862), the Avalon Hospices in Davidson and Hamilton Counties (\$408,935), and University of Tennessee Medical Center Home Care (\$399,985).

6. Quality Control and Monitoring: The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. Additionally, the applicant should provide documentation that it is, or intends to be, fully accredited by the Joint Commission, the Community Health Accreditation Program, Inc., the Accreditation Commission for Health Care, another accrediting body with deeming authority for hospice services from the Centers for Medicare and Medicaid Services (CMS) or CMS licensing survey, and/or other third party quality oversight organization. The applicant should inform the HSDA of any other hospice agencies operating in other States with common ownership to the applicant of 50% or higher, or with common management, and provide a summary or overview of those agencies' latest surveys/inspections and any Department of Justice investigatins and/or settlements.

Having a Quality Assessment and Performance Improvement (QAPI) program is mandatory under Medicare Conditions of Participation. Alive Hospice, Inc. has such plans, in proprietary and confidential documents. Alive's program meets or exceeds the requirements for QAPI in Section 418.58 of the Medicare Conditions of Participation. It provides for the ongoing, systematic, and objective monitoring and evaluation of patient care and operations, with the goal of continuously improving processes and outcomes. It is an Agency-wide and data-driven quality assessment and performance improvement program, which includes processes for tracking, measuring, collecting, analyzing, and evaluating data that will enable Alive to implement sustainable improvements in care delivery.

Alive is committed actively at all levels of leadership to continuous quality improvement. The QAPI plan items are reviewed monthly in an internal Quality Committee meeting, monthly by the leadership team, quarterly by the Quality and Compliance Subcommittee of the Board (6 members) and the full Board of Directors of Alive Hospice (28 Board members).

7. Data Requirements: Applicants should agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

The applicant so agrees.

8. Education. The applicant should provide details of its plan in the Service Area to educate physicians, other health care providers, hospital discharge planners, public health nursing agencies, and others in the community about the need for timely referral of hospice patients.

Alive provides extensive programs of community education throughout the year. It offers workshops, sponsors community events, provides comprehensive grief services to persons of all ages, and offers advance care planning assistance. These programs have been extensively listed and discussed in response to criteria #2 above.

Alive has a special mission to young persons dealing with grief. In CY2017, Alive held three youth camps that helped 95 grieving children and 19 teenagers learn to deal with loss.

Alive hosts an Annual Faith Leaders conference, where leaders discuss such topics as The Healing Power of Forgiveness, Honoring Silence, What No to Say, and Near-Death Awareness.

The same year, Alive supported 31 presentations in Murfreesboro alone focusing on discussions about hospice care topics including Compassion Fatigue, Forgiveness, Letting Go, Advance Directives, and Music Therapy. This outreach brought in 1,266 community attendees.

Alive supports the education of future healthcare professionals. The list on the following page shows Alive's current formal and informal agreements with 31 area organizations that train health professionals. Alive currently provides hospital-based palliative care at three area hospitals (TriStar Centennial, Summit, and Skyline).

On the cutting edge, Alive developed a training program, ALIVE SHARE, to teach practicing clinicians how to have difficult healthcare conversations. It has been well-received by the Murfreesboro area community and its impact continues to grow.

Specifically focusing on improvement of care and access to care, Alive's Outreach Liaisons connect with community healthcare partners at facilities (hospitals, skilled nursing facilities, assisted living facilities, rehabilitation facilities, etc.) to teach them about hospice and appropriate goals of care.

Informal and Formal Clinical Education Agreements as of May, 2018

Contract Type Name	Name	Clinical Specialty
Clinical Education Agreement	Belmont University School of Nursing	Nursing Students
Clinical Education Agreement	The University of Tennessee Knoxville	Social Work Students
Clinical Education Agreement	Middle Tennessee State University	Nursing Students
Clinical Education Agreement	Vanderbilt Divinity School	Chaplain Students
Clinical Education Agreement	Vanderbilt School of Nursing - Nursing Students	Nursing Students
Clinical Education Agreement	Belmont University School of Pharmacy	Pharmacy Students
Clinical Education Agreement	Middle Tennessee State University School of Social Work	Social Work Students
Clinical Education Agreement	Vanderbilt University (School of Medicine) - Second Year Medical Students	Medical Students
Clinical Education Agreement	Tennessee State University	Social Work Students
Service Agreement	Vanderbilt University (Psychiatry Program)	Psychiatry Students
Clinical Education Agreement	Vanderbilt University (School of Medicine) - Affiliation Agreement for GME	Hospice & Palliative Medicine Fellows
Clinical Education Agreement	Saint Thomas West Hospital (St. Thomas Hospital)	Chaplain Students
Clinical Education Agreement	Vanderbilt University (School of Medicine) - Geriatric Residents	Residents - Physicians in Training
Clinical Education Agreement	Austin Peay State University, Department of Social Work	Social Work Students
Clinical Education Agreement	Vanderbilt University (Peabody College of Education and Human Development)	Child Psychology Studies Program Students
Clinical Education Agreement	Motlow College	Nursing Students
Clinical Education Agreement	Meharry Medical College	Medical Students
Clinical Education Agreement	The Tennessee Board of Regents	Nursing Students
Clinical Education Agreement	The University of Tennessee	Nursing Students
Clinical Education Agreement	Spalding University	Social Work Students
Clinical Education Agreement	Pacific Northwest University of Health Sciences, College of Osteopathic Medicine	Social Work Students
Clinical Education Agreement	OLLU (Our Lady of the Lake University)	Social Work Students
Clinical Education Agreement	Simmons College	Social Work Students
Clinical Education Agreement	University of Southern California (USC)	Social Work Students
Clinical Education Agreement	Saint Thomas Rutherford Hospital	Nurse Shadow/No Students
Clinical Education Agreement	Cumberland University	Nursing Students
Clinical Education Agreement	Saint Mary-of-lhe Woods College	Social Work Students
Clinical Education Agreement	Belmont University Mental Health	Clinical Mental Health
Clinical Education Agreement	University of Memphis	Social Work Students
Clinical Education Agreement	Marian Univeristy Leighton School of Nursing	Nursing Students
Clinical Education Agreement	Belmont University - Social Work	Social Work Students
Clinical Education Agreement	UT Health Sciences Center / Saint Thomas Rutherford Hospital	Family Medicine & Emergence Medicine Residents

RESIDENTIAL HOSPICE SERVICES

DEFINITIONS

- 9. "Service Area" shall mean the county or contiguous counties represented on an application as the reasonable area in which a health care institution intends to provide Residential Hospice Services and/or in which the majority of its service recipients reside. A radius of 50 miles and/or a driving time of up to 1 hour from the site of the residential hospice services facility may be considered a "reasonable area;" however, full counties shall be included in a Service Area. Only counties with a Hospice Penetration Rate that is less than 80 percent of the Statewide Median Hospice Penetration Rate may be included in a proposed Service Area.
- 10. "Statewide Median Hospice Penetration Rate" shall mean the number equal to the Hospice Penetration Rate (as described below) for the median county in Tennessee.

ADDITIONAL SPECIFIC STANDARDS AND CRITERIA FOR RESIDENTIAL HOSPICE SERVICES

11. Need Formula. The need for Residential Hospice Services shall be determined by using the following Hospice Need Formula, which shall be applied to each county in Tennessee:

A / B = Hospice Penetration Rate

Where:

A = the mean annual number of Hospice unduplicated patients served in a county for the preceding two calendar years as reported by the Tennessee Department of Health;

and

B = the mean annual number of Deaths in a county for the preceding two calendar years as reported by the Tennessee Department of Health.

Note that the Tennessee Department of Health Joint Annual Report of Hospice defines "unduplicated patients served" as "number of patients receiving services on day one of reporting period plus number of admissions during the reporting period."

Need is established in a county (thus, enabling an applicant to include it in the proposed Service Area) if its Hospice Penetration Rate is less than 80% of the Statewide Median Hospice Penetration Rate; <u>further</u>, <u>existing Residential Hospice Services providers in a proposed Service Area must show an average occupancy rate of at least 85%.</u>

The following formula to determine the demand for additional hospice service recipients shall be applied to each county included in the proposed service area, and the results for each county's calculation should be aggregated for the proposed service area:

(80% of the SMHPR (Statewide Median Hospice Penetration Rate) – County Hospice Penetration Rate) x B

This calculation has been made by the Tennessee Department of Health using the most recent available data. Their calculation is shown in the table on the following page. The methodology projects no net unmet need for hospice in these five counties. It indicates a surplus of hospice services.

However, this application is not for another hospice provider, or for another authorized county, or for a service that Alive is not already providing in various types of beds in this service area. It is for a renovation project that will allow Alive to shift more patients from other settings to its own facility--when patients prefer it or need it for financial reasons. Therefore it does not seem that this formula can be meaningfully applied to this proposal.

Regardless, the HSDA may apply these guideline standards in an equitable way that meets its own statutory responsibilities. The applicant suggests that it would not be appropriate for the "need" methodology portion of this criterion to be utilized in this case.

While said to be specific to Residential Hospices, the need methodology nonetheless utilizes all hospice patients in its calculations, wherever they received hospice care. This does not provide insight into the needs of a subset of hospice patients, i.e., those who do not have access to hospice beds in hospitals, nursing homes, assisted living facilities, or private homes. Yet those are the patients that the Alive Residence--Murfreesboro serves. They cannot gain access to, or remain in, those other sites of service. Also, the formula does not take into account the charity care needs of this patient population, and how that limits their use of other sites of care.

It should be noted that the CON statute does not require Alive to obtain prior CON approval to expand its designated hospice care beds in contracted hospitals or skilled nursing facilities, because those beds remain licensed to the contracting provider, not to Alive.

However, a CON is required to expand the Residence's <u>own</u> licensed inpatient beds for the very same type of patient and level of clinical care. Because of that anomaly, it would seem appropriate to focus on documented local area bed needs in this review, rather than on a very broad and abstract need methodology that does not evaluate bed needs. A situational focus could also take into account the charity care needs of this patient population, which restricts their access to other sites of inpatient hospice care. The applicant's Residence waiting list is strong evidence of this aspect of need.

2015-2016 Hospice Rates and Projected Need

	Hospice	Hospice Patients Served	Lved	Total Ho	Total Hospice Deaths*	*y	Hospice Penetration Rate	Hospice Penetration Rate and Patient Need/(Surplus)	ation Rate and d/(Surplus)
							Mean Number of Patients/Mean	(Median Rate)*80%	(Median Rate)*85%
County Name	2015	2016	Mean	2015	2016	Mean	Number of Deaths	0.390	0.414
Bedford	169	206	188	407	498	453	0.414	(11)	0
Cannon	47	49	48	171	150	161	0.299	15	19
Carroll	205	185	195	439	383	411	0.474	(32)	(25)
DeKalb	109	102	106	211	230	221	0.478	(19)	(14)
Rutherford	943	696	926	1,679	1,747]	1,713	0.558	(288)	(246)

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics. Death Statistical System, 2015-*Certain deaths are excluded: Accidental (including motor vehicle accidents), homicide, suicide, and infant deaths. ICD-10 Codes excluded: V01-2016. Nashville, Tennessee. 2015-2016 JAR Hospice (not including Residential Hospice) data used for patient data. X60, X60-X84, X85-Y09, Y85-Y86, Y87.0-Y87.1 12. Types of Care. An applicant should demonstrate whether or not it will have the capability to provide general inpatient care, respite care, continuous home care, and routine home care to its patients. If it is not planning to provide one or more of these listed types of care, the applicant should explain why.

Within this service area, the applicant Alive Hospice, Inc. already provides all these levels of care to its patients, and will continue to do so. Please see the table on the following page for a grid of which services that are provided in various types of facilities, as of 2018. In addition, please see the "Miscellaneous" attachment at the back of the application for a narrative description of current types of hospice care as defined by Medicare, with current Medicare reimbursement rates.

13. Continuum of Care Regarding the Expansion from Non-Residential Hospice Services. An applicant for Residential Hospice Services that provides Hospice Services should explain how the Residential Hospice Services will maintain or enhance the Hospice Services' continuum of care to ensure patients have access to needed services. An applicant should provide assurances that it understands and will comply with any existing Medicare reimbursement requirements (e.g., the provision of different levels of hospice care, including any total patient care day allowances) and evidence that there are a sufficient number of potential hospice service recipients that will enable it to so comply.

Not applicable to an existing Residential Hospice.

14. Assessment Period: After approval of a residential hospice services CON application, no new residential hospice services CON application--whether for the initiation of services or for the expansion of services--should be considered for any county that is added to or becomes part of a Service Area until JAR data for residential hospice services can be analyzed and assessed by the Division to determine the impact of the approval of the CON.

Not applicable. The applicant is not proposing to add a county to its service area.

							OFFERS RESIDENTIAL
Ω	AUTHORIZED HOSPICES	BEDFORD	CANNON	COFFEE	DEKALB	RUTHERFORD	HOSPICE FACILITY?
19624	Alive Hospice (Davidson)	×	×	×	×	×	YES
19614	The Residence at Alive Hospice (Davidson)	×	×	×	×	×	(same as above provider)
**	The Residence at Alive Hospice (Rutherford)	×	×	×	×	×	(same as above provider)
19604	Aseracare HospiceNashville (Davidson)	×	×	×	×	×	ON
19694	Avalon Hospice (Davidson)	×	×	×	×	×	ON
19714	Т	×	×			×	ON
75624	1	×		×	×	×	ON
19684	Gentiva Hospice/Odyssey/Kindred (Davidson)		×			×	ON
71604			×		×		ON
06613	Home Health Care of East Tennessee (Bradley)			×			ON
19724	Hospice Advantage/Adoration/Encompass (Davidson)					×	ON
16604	Т	×	×	×			ON
52614	Lincoln Medical Home Health & Hospice (Lincoln)	×		×			ON
19674	Priority Hospice Care, Inc./Amedisys (Davidson)					×	ON
94604	Willowbrook Hospice (Williamson)	×				×	ON

Source: HSDA Applicant's Toolbox, August 2017

B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to previously approved projects of the applicant.

This internal bed expansion project fulfills the applicant's original plan for this Residence, set forth in its 2014 CON application that was unanimously approved by the CON Board.

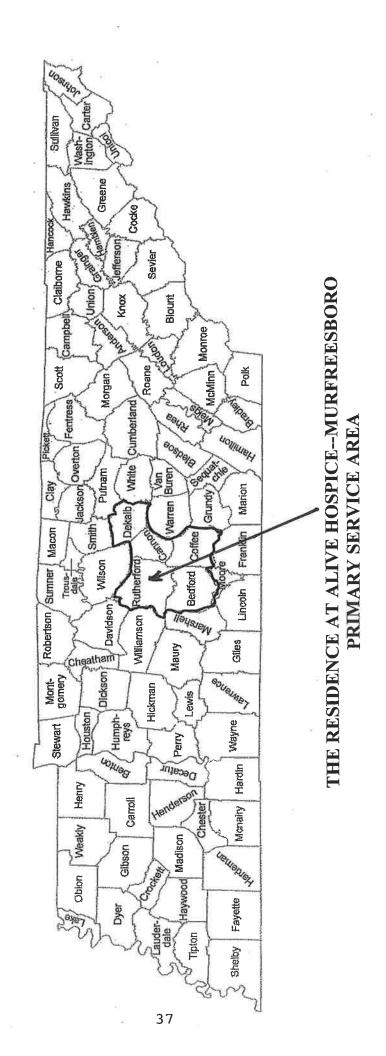
The 2014 application's Project Description stated on page 5: "The proposed Murfreesboro Residence will contain 10 private patient rooms, space for licensing 5 more patient rooms in future years, and all appropriate support areas." And the floor plan in that application showed all fifteen room spaces. The only difference between the 2014 plan and this project is that the architects found internal space sufficient to add six additional beds rather than five.

C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.

The map is provided after this page, and also in Attachment Section B-Need-3.

This five-county area has long been in Alive Hospice, Inc.'s authorized service area. Alive considers it to be its "southern service area". During the year that the Murfreesboro Residence has been open, these five counties have been its primary service area, as projected in the approved 2014 CON application.

In 2018, 69% of this Residence's unduplicated census has come from the five project service area counties. Another 16% came from Davidson, Williamson, and Wilson Counties in Alive's northern service area. 15% came from other counties.



C. (Continued) Please complete the following tables, if applicable:

Not applicable. Information on hospice residential patient destination by county is not available because there are so many sites of care that provide it, in designated hospice beds. Freestanding Residential hospices have identifiable patient origin; but there is not information available on county residents' use of residential level care in the other types of facilities in which it is provided.

Service Area Counties	Historical Utilization by County Residents	% of Total Procedures
Totals		

Service Area Counties	Projected Utilization by County Residents	% of Total Procedures
Totals		

D. 1) a). Describe the demographics of the population to be served by the proposal.

Within four years, by 2022, the service area will have a population of more than 500,000, with 71% of those residing in Rutherford County, where this project is located. By 2022, the area will have an elderly (65+) population of 44,630, approximately 14% of the total population.

The elderly segment of the population will increase 21.1% between 2018 and 2022, while the population as a whole will increase 10.9%. So the target population of this project will be increasing at 2.4 times the rate of the total population.

Because of the youth and employment demographics of Rutherford County, the largest population center in the service area, the service area has a median age and median household income similar to that of the State as a whole. The area's poverty level of 13.9% is below the 17.2% State level; and the area's TennCare enrollment is 18.1% of the population compared to the State's 20.6%.

D.1) b). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data:

http://www.tn.gov/health/article/statistics-population

TennCare Enrollment Data:

http://www.tn.gov/tenncare/topic/enrollment-data

Census Bureau Fact Finder:

http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Please see the table on the following page.

			Table E	Table B-Need-D.	1)b): Aliv	e Resident	tial Hospic	D. 1)b): Alive Residential HospiceMurfreesboro	sboro				
			Ŏ	emograph	ic Charact	teristics of 2018-2022	Primary S	Demographic Characteristics of Primary Service Area 2018-2022					
		Dep	Department of Health /		Health Statistics	istics			Bureau of the Census	he Census	10	TennCare	e i e
				Current	Projected	Projected	Projected Target* Population				Persons		TennCare Enrollees
	Current Total	Projected Total	Total Population	Target* Population	Target* Population	Target* Population	Projected Total		Median	Persons Below	Poverty Level as %	Current	Total
Primary Service Area Population Counties 2018	Population 2018	Population 2022	% Change 2017 - 2021	Age65+ 2018	Age 65+ 2022	% Change 2018 - 2022	Population 2022	Median Age	Household	Poverty	of Total Population		Zip Code
Bedford	50,860	53,067	4.3%	8,145	9,285	_	17.5%	_	\$43,819	8,290	16.3%	200	24.1%
Cannon	14,658	15,241	4.0%	2,974	3,499	17.7%	23.0%	42.1	\$43,654	2,375	16.2%	3,175	21.7%
Coffee	56,909	58,799	3.3%	10,841	12,340	13.8%	21.0%	40.1	\$45,456	9,049	15.9%	13,629	23.9%
DeKalb	19,936	20,472	2.7%	4,096	4,674	14.1%	22.8%	40.9	\$37,640	4,426	22.2%	5,162	25.9%
Rutherford	332,411	368,752	10.9%	35,379	44,630	26.1%	12.1%	32.9	\$58,032	41,884	12.6%	51,831	15.6%
Service Area Total	474,774	516,331	8.8%	61,435	74,428	21.1%	14.4%	38.6	\$45,720	66,024	13.9%	86,047	18.1%
State of TN Total	6,960,924	7,263,893	4.4%	1,175,938	1,362,320	15.8%	18.8%	38.5	\$46,574	1,197,279	17.2%	1,432,475	20.6%
Source: TOOM Population Projections: 11 C. Concus OuickEarte: TonnCar	Istion Droiporti	ione: 11 S Ca	nevie OrichEact	er TannCare	ro Burosu								

Sources: TDOH Population Projections; U.S. Census QuickFacts; TennCare Bureau. Service area data is either total, or average, as appropriate.

D. 2). Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Alive Hospice offers complete accessibility, within its resources, to patients of all ages who need hospice care or need assistance with grieving and adjustments to the death of a loved one. Alive patients are 76.1% Medicare age currently. Alive does not discriminate in its admissions based on age, insurance resources, income levels, race, gender, ethnicity or religion. It is highly accessible to all of the groups named above. This is a rural area, a long drive time from the Alive Residential Hospice in central Davidson County. This project will be of special benefit to persons whose age or income puts a special burden on long commutes to visit loved ones in their last days.

E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

Alive Hospice, Inc. operates through 3 licenses (1 hospice license and 2 Residence licenses). Including those, Alives's entire 12-county primary service area has 17 total licensed hospice providers--14 other than Alive. This project's 5-county primary service area has 15 licensed hospice providers--12 other than Alive.

Utilization of these agencies is provided through five tables on the following five pages:

- Table B-Need-E1 shows the hospice agencies that are authorized to operate in this project's five-county primary service area.
- Table B-Need-E2 shows these agencies' reliance on patients from the five-county service area. (Many agencies are licensed for counties outside the area as well as for one or more counties within the area.)
- Table B-Need-E3 shows utilization of the agencies by patients, days, an length of stay for the past three JAR reporting years, FYE 2015-FYE 2017.
 - Table B-Need-E4 shows the agencies' patients and days by levels of care during 2017.
 - Table B-Need-E5 shows the agencies' patients and days by payor mix.

	Table B-Need-E 1): Licensed Hospic	ce Providers	Authorize	d to Serve	Project Pr	d Hospice Providers Authorized to Serve Project Primary Service Area	rea
STATE	AUTHORIZED HOSPICES	BEDFORD	CANNON	COFFEE	DEKALB	RUTHERFORD	OFFERS RESIDENTIAL HOSPICE FACILITY?
19624	Alive Hospice (Davidson)	×	×	×	×	×	YES
19614	The Residence at Alive Hospice (Davidson)	×	×	×	×	×	(same as above provider)
* *	The Residence at Alive Hospice (Rutherford)	×	×	×	×	×	(same as above provider)
19604	Aseracare HospiceNashville (Davidson)	×	×	×	×	×	ON N
19694	Avalon Hospice (Davidson)	×	×	×	×	×	ON
19714	Caris Healthcare (Davidson)	×	×			×	ON
75624	Caris Healthcare (Rutherford)	×		×	×	×	ON
19684	Gentiva Hospice/Odyssey/Kindred (Davidson)		×			×	ON
71604	Gentiva Hospice/Kindred (Putnam)		×		×		ON
06613	Home Health Care of East Tennessee (Bradley)			×			ON
19724	Hospice Advantage/Adoration/Encompass (Davidson)					×	ON
16604	Hospice CompassusHighland Rim (Coffee)	×	×	×			ON
52614	Lincoln Medical Home Health & Hospice (Lincoln)	×		×			NO
19674	Priority Hospice Care, Inc./Amedisys (Davidson)					×	ON
94604	Willowbrook Hospice (Williamson)	×				×	ON

Source: HSDA Applicant's Toolbox, August 2017

	Ta	Table B-Need E 2): Area Hospice Agency Patients By Service Area Counties; and Agency Dependence on Service Area Patients—2017 Joint Annual Reports	Area Countie	s; and Agency I	Dependence o	ın Servi	Ce Are	Patien	ts2017	Joint Annual Reports		
Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Bedford	Саппоп	Coffee	Rutherford	Agency Patients From Project Service Area Counties	Total Agency Patients	% of Agency's Total Patients from Service Area Counties
19614	Davidson	The Residence at Alive Hospice	12	5	42%	5	2	0	0 17	7 24	1,057	2.3%
19624	Davidson	Alive Hospice	12	5	42%	09	21	18	15 429	9 543	2,901	18.7%
19604	Davidson	Aseracare HospiceNashville	17	5	78%	0	1	12	1 15	5 29	203	14.3%
19694	Davidson	Avalon Hospice	95	5	2%	31	10	81	26 170	318	3,645	8.7%
19714	Davidson	Caris Healthcare	22	2	%6	4	0	1) 0	0	928	%9.0
75624	Rutherford	Caris Healthcare	23	4	17%	5	19	9	38 197	7 265	602	37.4%
19684	Davidson	Gentiva Hospice/Odyssey/Kindred	9	2	33%	0	5	0	1 102	108	747	14.5%
71604	Putnam	Gentiva Hospice/Kindred	15	2	13%	0	1	0	10 C	0 11	251	4.4%
06613	Bradley	Home Health Care of East Tennessee	17	1	%9	0	0	0	0	0	276	%0.0
19724	Davidson	Hospice Advantage/Adoration/Encompass	8	1	13%	0	0	0	0 24	4	136	17.6%
16604	Coffee	Hospice CompassusHighland Rim	12	3	25%	69	3	218) 0	0 290	1,405	20.6%
52614	Lincoln	Lincoln Medical Home Health & Hospice	7	2	73%	0	0	0	0	0	127	%0.0
19674	Davidson	Priority Hospice Care, Inc./Amedisys	7	1	14%	0	0	0	0	0	4	%0.0
94604	Williamson	Willowbrook Hospice	15	2	13%	40	0	0	0 19	65	482	12.2%
		TOTALS				214	62 3	336 91	1 973	1,676	12,799	13.1%
A 4-1-1 710C 110T 1-1-1-1												

Source: TDH 2017 Joint Annual Reports.

Table B-Need-E 3): Utilization of Hospic	ation of Hosp	oices Autho	rized to Se	es Authorized to Serve Counties Within the Project's Five-County Primary Service Area	Within the	Project's Fi	ve-County P	rimary Serv	ice Area	
			2015 JAR			2016 JAR			2017 JAR	
	State ID	Total	Number of	Avg Length of	Total	Number of	Avg Length	Total	Number of	Avg Length
	(HQL)	Schedule F	Schedule F	Schedule E	Schedule F	Schedule F	Schedule E	Schedule F	Schedule F	Schedule E
The Residence at Alive Hospice Davidson	19614	883	7,600	8.6	1,163	8,515	7.3	1,057	980'6	8.6
Alive Hospice Davidson	19624	2,895	136,661	47.2	2,904	147,964	51.0	2,901	149.214	51.4
		THE REPORT								
Aseracare Hospice Davidson	19604	226	16,470	72.9	244	20,301	83.2	203	24,875	122.5
Avalon Hospice Davidson	19694	1,423	2,224	1.6	3,037	228,013	75.1	3,645	289,551	79.4
Caris Healthcare Davidson	19714	863	59,175	68.6	862	63,103	73.2	856	59,500	69.5
Carls Healthcare Rutherford	75624	725	40,879	56.4	772	50.861	62.9	602		59.7
Gentiva Hospice/Odyssey/Kindred Davidson	19684	713	36,046	20.6	592	24,070	40.7	747	37,791	50.6
Gentiva Hospice/Kindred Putnam	71604	175	7,257	41.5	193	6,482	33.6	251	10,224	40.7
Home Health Care of East TN Bradley	06613	267	20,333	76.2	272	22,243	81.8	276	19,921	72.2
Hospice Advantage/Adoration/Encompass Davidson	19724	6	469	52.1	16	999	41.6	4	267	66.8
Hospice Compassus Highland Rim Coffee	16604	1,100	266,997	6.09	1,304	84,527	64.8	1,405	86,458	61.5
Lincoln Medical HH & Hospice Lincoln	52614	104	2,928	28.2	146	4,957	34.0	127	3,048	24.0
Priority Hospice Care, Inc./Amedisys Davidson	19674	24	2,229	92.9	13	420	32.3	136	8,415	61.9
Willowbrook Hospice Williamson	94604	279	20,742	74.3	320	20,055	62.7	482	33,997	70.5
Source: Joint Annual Reports of Hospices, Schedules E and F.	iles E and F.									

		Table B-Need-E 4): Area Hospice Agency Utilization by Levels of Care2017 Joint Annual Reports	spice Agenc	y Utilizatic	on by Level	s of Care	.2017 Joint	Annual Re	ports			
			Routine Care	: Care	GIP Care	are	Continuous Care	us Care	Respite Care	Care	Totals	ls
Health Statistics	Agency											
9		Agency Name	Patients	Days	Patients	Days	Patients	Days	Patients	Days	Patients	Days
19614	19614 Davidson	The Residence at Alive Hospice (Davidson)	210	3,437	904	4,987	0	0	135	299	1,249	980'6
19624	19624 Davidson	Alive Hospice (Davidson)	2,507	145,668	576	2,951	1	4	118	591	3,202	149,214
19604	19604 Davidson	Aseracare HospiceNashville (Davidson)	187	15,456	0	0	0	0	c	17	190	15,473
19694	19694 Davidson	Avalon Hospice (Davidson)	3,589	287,674	31	331	0	0	56	1,589	3,646	289,594
19714	19714 Davidson	Caris Healthcare (Davidson)	714	58,855	28	272	0	0	84	420	928	59,547
75624	Rutherford	75624 Rutherford Caris Healthcare (Rutherford)	199	41,718	19	102	0	0	29	154	200	41,974
19684	19684 Davidson	Gentiva Hospice/Odyssey/Kindred (Davidson)	1,163	50,503	33	96	0	0	59	312	1,255	50,911
71604	71604 Putnam	Gentiva Hospice/Kindred (Putnam)	338	13,133	10	99	0	0	2	10	350	13,199
06613	06613 Bradley	Home Health Care of East Tennessee (Bradley)	276	19,888	0	0	0	0	4	20	280	19,908
16604	16604 Coffee	Hospice CompassusHighland Rim (Coffee)	1,551	85,955	227	747	0	0	112	497	1,890	87,199
19724	19724 Davidson	Hospice Advantage/Adoration/Encompass	4	267	0	0	0	0	0	0	4	267
52614	52614 Lincoln	Lincoln Medical Home Health & Hospice (Lincoln)	140	7,527	0	0	0	0	0	0	140	7,527
19674	19674 Davidson	Priority Hospice Care, Inc./Amedisys	131	8,415	0	0	1	4	5	27	137	8,446
94604	Williamson	Willowbrook Hospice (Williamson)	472	33,994	1	5	2	4	16	92	491	34,095
		TOTALS	11,943	772,490	1,859	9,547	4	12	593	4,391	14,399	786,440
Source: Ti	DH 2017 Joint ,	Source: TDH 2017 Joint Annual Reports. Schedule E by Payor.										

		Table B-Need-E 5): Area l	rea Hospice Agency Patients and Patient Days By Payor—2017 Joint Annual Reports	gency Pa	tients an	d Patient	Days By F	ayor-20	17 Joint A	nnual Re	ports					
			TennGare	are	Medi	Medicare	TriCare/(TriCare/Champus	Private Pay	Pay .	Other Pay Source	Source	Charity	.€	Totals	- Sa
Health Statistics ID	Health Statistics ID Agency County	Авепсу Лате	Datients	Sec.	Dationte	Ne.C	Dationts	Dave	Dationte	Dave	Dationte	Pave	Saciand	Dave	option of	o de
19614	Davidson	The Residence at Alive Hospice	73	617	196	L	1		00			L	1	243	1.249	980'6
19624	Davidson	Alive Hospice	165	7,007	2,565	126,052	7	245	18	306	361	12,070	98	E.	3,202	149,214
19604	Davidson	Aseracare HospiceNashville	9	360	183	14,638	0	0	1	12	m	460	0	0	190	15,470
19694	Davidson	Avalon Hospice	20	4,634	3,264	265,248	3	17	0	0	275	17,702	34	1,993	3,646	289,594
19714	Davidson	Caris Healthcare	35	1,481	782	54,803	1	19	0	0	37	3,183	1	19	856	59,547
75624	Rutherford	Caris Healthcare	34	1,643	612	38,780	1	11	0	0	52	1,406	10	134	709	41,974
19684	Davidson	Gentiva Hospice/Odyssey/Kindred	21	089	1,130	47,882	0	0	2	71	1	н	101	2,331	1,255	50,913
71604	Putnam	Gentiva Hospice/Kindred	20	855	310	11,984	0	0	0	0	20	360	0	0	350	13,199
06613	Bradley	Home Health Care of East Tennessee	16	1,124	252	18,285	1	30	0	0	11	469	0	0	280	19,908
19724	Davidson	Hospice Advantage/Adoration/Encompass	0	0	4	267	0	o	0	0	0	Đ	0	0	4	267
16604	Coffee	Hospice CompassusHighland Rim	127	4,459	1,590	586,77	0	0	1	S	137	3,502	35	1,244	1,890	87,199
52614	Lincoln	Lincoln Medical Home Health & Hospice	5	189	124	5,939	0	0	0	0	6	747	2	160	140	7,527
19674	Davidson	Priority Hospice Care, Inc./Amedisys	2	370	123	7,168	0	0	7	394	0	0	S	514	137	8,446
94604	Williamson	Willowbrook Hospice	14	496	451	32,926	1	7	0	0	24	657	1	6	491	34,095
		TOTALS	585	24,407	12,357	709,023	15	378	37	892	1.089	41.556	316	10.181	14,399	786,437

zze: TOH 2017 Joint Annual Benort

F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology <u>must include</u> detailed calculations or documentation from referral sources, and identification of all assumptions.

The following tables provide utilization history and projections for all three Alive residential sites of service. Their current utilization is very high for small bed units.

These tables use Alive Hospice's internal data, rather than the unduplicated patient and patient days statistics of the Joint Annual Reports. The reason is that an individual patient may be admitted several times a year for short stays, before expiring. Alive, Inc. tracks all admissions and days for that reason, as the best data on which to make decisions, because it accurately reflects census and occupancy.

	Table B-N	leed-F1: Alive			freesboro	
	Licensed		Y2014-CY202 Patient	ALOS	ADC	
	Beds	Admissions	Days	(Days)	(Patients)	Occupancy
(Actual)						
CY2015	na	na	na	na	na	na
CY2016	na	na	na	na	na	na
CY2017*	10*	138	1,711	12.4	9.2	92.0%
(Projected)						
CY2018						
Annualized	10	294	3,651	12.4	10	100.0%
CY2019	16	383	4,745	12.4	13	81.3%
CY2020	16	412	5,112	12.4	14	87.5%
CY2021	16	471	5,844	12.4	16	100.0%

^{*} Unit was open only on the last 186 days of 2017. ADC and Occupancy calculated using 186.

	Table F	B-Need-F2: Al	ive Residenti Y2014-CY202	_	ashville	
	Licensed		Patient	ALOS	ADC	
	Beds	Admissions	Days	(Days)	(Patients)	Occupancy
(Actual)						
CY2015	30	762	8,572	11.2	23.5	78.3%
CY2016	30	712	9,086	12.8	24.9	83.0%
CY2017	30	783	9,231	11.8	25.3	84.3%
(Projected)						
CY2018						
Annualized	30	846	9,897	11.7	27.1	90.4%
CY2019	30	846	9,897	11.7	27.1	90.4%
CY2020	30	846	9,897	11.7	27.1	90.4%
CY2021	30	846	9,897	11.7	27.1	90.4%

Table B	-Need-F3: Al	ive Inpatient C	Unit at TriSta Y2014-CY202		dical Center I	Madison
	Licensed		Patient	ALOS	ADC	
	Beds	Admissions	Days	(Days)	(Patients)	Occupancy
(Actual)						
CY2015	15	438	3,105	7.1	8.5	56.7%
CY2016	15	548	3,238	5.9	8.9	59.1%
CY2017	15	389	3,146	8.1	8.6	57.5%
(Projected)						
CY2018	1.5	444	2 4 4 7	7.0	0.4	62.00/
Annualized	15	444	3,447	7.8	9.4	63.0%
CY2019	15	450	3,510	7.8	9.6	64.1%
CY2020	15	475	3,705	7.8	10.2	67.7%
CY2021	15	500	3,900	7.8	10.7	71.2%

Methodology for Projections

- 1. Murfreesboro Residence: The 10-bed facility has been fully occupied this year. The projection annualizes YTD experience for 2018. For CY 2019, 2020, and 2021, the projection assumes adding ADC of 3, 4, and 6 patients respectively.
- 2. Nashville Residence: The current 2018 utilization annualized was projected to be unchanged; this particular building cannot achieve significantly higher census and demand for its beds will not decline.
- 3. Madison Inpatient Unit: 2019 Admissions projected as 6 more than in 2018 annualized; the following two years assume 25 more admissions per year than the previous year. ALOS of 7.8 this year projected to remain unchanged.

SECTION B: ECONOMIC FEASIBILITY

A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee.), (See application instructions for Filing Fee.)
- 2) The cost of any lease, The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
- 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

The Cost Per Square Footage Chart is submitted as page of the application.

- 5) For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
 - a) A general description of the project;
 - b) An estimate of the cost to construct the project; and
 - c) A description of the status of the site's suitability for the proposed project;
 - d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

See Attachment Section B-Economic Feasibility-A 5).

PROJECT COST CHART--EXPANSION OF ALIVE HOSPICE MURFREESBORO

A.	Construction and equipment acquired by purcha	se:	esta. Parag
	 Architectural and Engineering Fees Legal, Administrative, Consultant Fees (Excl.) Acquisition of Site Preparation of Site Total Construction Cost Contingency Fund 5% Fixed Equipment (Not included in Construction Moveable Equipment (List all equipment over as separate attachment) Other (Specify) 	on Contract) er \$50,000	32,500 40,000 0 383,464 38,346 0 27,000
В.	Acquisition by gift, donation, or lease:		
	 Facility (inclusive of building and land) Building only Land only Equipment (Specify) Other (Specify) 		0 0 0 0 0
C.	Financing Costs and Fees:		
	 Interim Financing Underwriting Costs Reserve for One Year's Debt Service Other (Specify) 		0 0 0 0
D.	Estimated Project Cost (A+B+C)		521,310
E.	CON Filing Fee		15,000
F.	Total Estimated Project Cost (D+E)	TOTAL \$	536,310
		Actual Capital Cost Section B FMV	536,310 0

B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-B.)

1) Commercial LoanLetter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan and any restrictions or conditions;
2) Tax-Exempt Bondscopy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
3) General Obligation BondsCopy of resolution from issuing authority or minutes from the appropriate meeting;
4) GrantsNotification of Intent form for grant application or notice of grant award;
5) Cash ReservesAppropriate documentation from Chief Financial Officer; or
x_6) OtherIdentify and document funding from all sources.

The project costs will be paid for by a second capital campaign.

This means of funding for the Murfreesboro Residence has been very successful before. Construction funds for the present facility were obtained from individuals and foundations throughout the Murfreesboro community as a result of a initial capital campaign in 2015. Donors made pledges on a 5- to 7-year pledge cycle. Virtually 100% of all pledges are being received in full and on time, with no write-offs thus far. A private bank bridge loan was arranged to allow construction and operation of the facility to proceed, as pledges were paid. Alive Hospice, Inc. purchased the land and all furniture and fixtures for that project from operating capital. Today, Alive owns its building, is repaying the bridge loan as pledges are received, and projects having a positive cash flow and positive net income for the Murfreesboro Residence in its first year as a sixteen-bed facility.

This proposed six-bed expansion will be funded by a second capital campaign starting soon after CON approval is granted. If community contributions do not result in complete funding, Alive has the financial capability to expend operating cash to complete this relatively inexpensive renovation and to have the six new beds open no later than April of 2019. Additional loan funding will not be needed.

C. Complete Historical Data Charts on the following pages--Do not modify the Charts or submit Chart substitutions!

Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices.

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Historic Data Charts for Alive Hospice, Inc. and for the Murfreesboro Residence are provided on the following four pages. The Residence was open for only the last half of 2017, so that data is only the partial startup year.

In these Charts:

- A. "Other Revenue" are community contributions received throughout the year.
- B. In the itemization of Other Expenses--
- (1) the Line 4 "Occupancy and Facility" expenses are for routine facilities maintenance, facility security after hours, maintenance contracts, insurance, utilities, contracted housekeeping services and supplies and waste management.
- (2) The Line 6 "Other" expenses are advertising, postage, commercial printing, meetings, travel and meals, licensing and fees, dues and subscriptions, hiring and recruitment, office supplies, professional, legal and auditing expenses and payroll processing fees.

HISTORICAL DATA CHART --ALIVE HOSPICE, INC.

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

				Year 2015		Year 2016		Year 2017
A.	Utilization Data	Admissions		3,273		3,308		3,556
	(Specify unit or measure)	Patient Days		156,625		158,301	_	157,140
B.	Revenue from Services to Patients		¢	6 022 445	\$	7,049,490	\$	8,040,162
	1. Inpatient Services		\$ _	6,923,445	Ф —	25,799,392	" -	25,426,526
	2. Outpatient Services		-	22,293,289	-	23,799,392	-	0
	3. Emergency Services		-	1 752 073	***			2,595,343
	4. Other Operating Revenue	(e	-	1,752,872	-	2,518,948	-	2,333,343
	(Specify) (pledges received	from capital campaign)		20.000.000	•	25 267 920	•	26.062.021
		Gross Operating Revenue	\$ _	30,969,606	\$ _	35,367,830	\$_	36,062,031
C.	Deductions from Gross Operating Re	evenue						
	Contractual Adjustments		\$_	1,554,723	\$	4,135,464	\$	3,206,498
	2. Provision for Charity Care		-	785,664		972,663	_	1,108,556
	3. Provisions for Bad Debt			154,906		94,145	-	111,559
		Total Deductions	\$_	2,495,293	\$	5,202,272	\$_	4,426,613
NET	FOPERATING REVENUE		\$_	28,474,313	\$_	30,165,558	\$_	31,635,418
D.	Operating Expenses							
	 Salaries and Wages 							0.004.070
	a. Clinical		\$ _	8,612,094	\$_	9,115,277	\$_	9,994,070
	b. Non-Clinical		-	5,634,262		5,584,066	-	6,555,526
	2. Physicians Salaries and Wages		11.00	1,381,649	_	1,573,009	-	1,874,539
	3. Supplies		***	2,694,937	-	2,702,765		2,658,046
	4. Rent							
	a. Paid to Affiliates		-	423,323	-	424,481	-	379,067
	b. Paid to Non-Affiliates		-	423,323	-	727,701	-	373,007
	5. Management Fees							
	a. Paid to Affiliates		-		1		-	
	b. Paid to Non-Affiliates6. Other Operating Expenses	See itemization, p.2.	-	7,605,570	-	8,358,958		8,592,560
	o. Other operating Expenses	Total Operating Expenses	\$	26,351,835	\$	27,758,556	\$	30,053,808
E.	Earnings Before Interest, Taxes, and		\$_	2,122,478	\$_	2,407,002	\$_	1,581,610
F	Non-Operating Expenses 1. Taxes		\$	0		0		0
	2. Depreciation		-	519,730	-	551,986	_	801,010
	3. Interest			17,932	-	24,342	-	84,660
	4. Other Non-Operating Expenses		-	40,913		(630)	-	65,585
	Capital Campaign		-	(538,654)	-	(5,284,872)	_	(85,637)
		Total Non-Operating Expenses	\$	39,921	\$	(4,709,174)	\$	865,618
		Total Horr-operating Expenses	Ψ_	33,321	* -	(1,1 00,11 1)	-	230,010
NET	T INCOME (LOSS)		\$	2,082,557	\$_	7,116,176	\$_	715,992
Cha	art Continues Onto Next Page		-					

				Year 2015		Year 2016		Year 2017
NET	INCO	ME (LOSS)	\$_	2,082,557	\$_	7,116,176	\$_	715,992
G.	Oth	er Deductions						
	1.	Annual Principal Debt Repayment	\$	0	\$_	0	\$_	504,147
	2.	Annual Capital Expenditure	222	830,106		4,223,845		8,607,477
		Total Other Deductions	\$	830,106	\$_	4,223,845	\$_	9,111,624
		NET BALANCE	\$_	1,252,451	\$_	2,892,331	\$_	(8,395,632)
		DEPRECIATION	\$	519,730		551,986	\$_	801,010
		FREE CASH FLOW (Net Balance + Depreciation)	\$ _	1,772,181	\$_	3,444,317	\$_	(7,594,622)

X TOTAL FACILITY

O PROJECT ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTH	IER EXPENSES CATEGORIES		Year 2015	Year 2016		Year 2017
	(examples)					
1.	Employee taxes & benefits	. \$	2,852,261	\$3,075,891	\$_	3,589,558
2.	Mileage & fleet		558,826	562,787		616,548
3.	Purchased services		814,685	803,137	_	876,079
4.	Occupancy & facility		1,022,033	1,030,119	_	1,185,772
5.	Telephone and IT		927,890	913,042		858,196
6.	Other		1,429,875	1,973,982		1,466,407
7.				4	_	
8.						
9.					_	
10.						
11.		_				
12.		-			_	
	Total Other Expenses	\$	7,605,570	8,358,958	\$_	8,592,560

HISTORICAL DATA CHART -- THE RESIDENCE AT ALIVE HOSPICE MURFREESBORO

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

rne	Tiscai year begins in January.		NA	NA		2017 6 months
A.	Utilization Data	Admissions	((138
	(Specify unit or measure)	Patient Days	6	-	-	1,711
В.	Revenue from Services to Patients					
٥.	Inpatient Services		\$	\$	\$	894,027
	2. Outpatient Services					
	3. Emergency Services					
	4. Other Operating Revenue					
	(Specify)					
	· · ·	Gross Operating Revenue	\$0	\$0	\$	894,027
C.	Deductions from Gross Operating Reve	enue	•	A	φ	12.020
	Contractual Adjustments		\$	\$	\$ _	13,939
	2. Provision for Charity Care			-	-	63,407
	3. Provisions for Bad Debt				_	1,278
		Total Deductions	\$ 0	\$0	* \$ —	78,624
	OPERATING REVENUE		\$0	\$0	* <u> </u>	815,403
D.	Operating Expenses					^
	1. Salaries and Wages		•	•	.	0
	a. Clinical		\$	\$	* <u> </u>	477,042
	b. Non-Clinical				-	92,894
	2. Physicians Salaries and Wages		-	-	-	CC 003
	3. Supplies			V		66,093
	4. Rent					
	a. Paid to Affiliates		-		-	
	b. Paid to Non-Affiliates					
	5. Management Fees					
	a. Paid to Affiliates				i (
	b. Paid to Non-Affiliates			,	-	201.470
	6. Other Operating Expenses	See itemization, p.2.			_	331,476
		Total Operating Expenses	\$ 0	\$0	\$_	967,505
E.	Earnings Before Interest, Taxes, and D	Depreciation	\$0	\$0	\$ —	(152,102)
F.	Non-Operating Expenses					
	1. Taxes		\$	1 15-11		
	2. Depreciation					
	3. Interest					
	4. Other Non-Operating Expenses		8			
		tal Non-Operating Expenses	\$ 0	\$ 0	\$_	0
	FINODNE (LOCC)		\$ 0	\$0	\$	(152,102)
	TINCOME (LOSS)		Φ 0	D	Φ=	(132,102)

		NA	NA	Year 2017
NET	INCOME (LOSS)	\$	\$	\$(152,102)
G,	Other Deductions 1. Annual Principal Debt Repayment 2. Annual Capital Expenditure	\$	\$	\$0
	Total Other Deductions	\$ 0	\$ 0	\$0
	NET BALANCE	\$ 0	\$ 0	\$ (152,102)
	DEPRECIATION	\$	\$	\$
	FREE CASH FLOW (Net Balance + Depreciation)	\$0	\$0	\$ (152,102)

O TOTAL FACILITY

X PROJECT ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES		NA	NA		Year 2017	
1.	Employee taxes & benefits	\$	\$	_ \$_	95,181	
2.	Mileage & fleet				1,436	
3.	Purchased services				40,406	
4.	Occupancy & facility				106,019	
5.	Telephone and IT				6,481	
6.	Other	11:			10,165	
7.	Dietary				71,788	
8.				_		
9.						
10.				_		
	Total Other Expenses	\$	0 \$	\$_	331,476	

D. Complete Projected Data Charts on the following pages - <u>Do not modify the Charts</u> provided or submit Chart substitutions!

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Projected Data Charts for Alive Hospice, Inc. and for the Murfreesboro Residence are provided on the following four pages. They show positive net income and cash flows for the first two years of operation of this project.

In these Charts:

- A. "Other Revenue" are community contributions received throughout the year.
- B. In the itemization of Other Expenses--
- (1) the Line 4 "Occupancy and Facility" expenses are for routine facilities maintenance, facility security, maintenance contracts, insurance, utilities, contracted housekeeping services and supplies and waste management.
- (2) The Line 6 "Other" expenses are advertising, postage, commercial printing, meetings, travel and meals, licensing and fees, dues and subscriptions, hiring and recruitment, office supplies, professional, legal and auditing expenses and payroll processing fees.

PROJECTED DATA CHART --ALICE HOSPICE, INC.

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

	1.16.93		Admingions		Year One 4,213		Year Two 4,230
Α.		zation Data	Admissions	-	174,950	-	175,682
	(5p	ecify unit or measure)	Patient Days	(174,330	5	173,002
B.	Rev	enue from Services to Patients					
ъ.	1.	Inpatient Services		\$	10,095,687	\$	10,598,898
	2.	Outpatient Services			30,264,048		30,782,800
	3.	Emergency Services					
	4.	Other Operating Revenue		_	2,789,554		2,831,397
			from capital campaign)			-	
		(opos.))	Gross Operating Revenue	\$	43,149,289	\$_	44,213,096
C.	Deductions from Gross Operating Revenue						
	1.	Contractual Adjustments		\$	5,029,839	\$_	5,095,272
	2.	Provision for Charity Care		_	1,168,609	-	1,193,476
	3.	Provisions for Bad Debt		_	130,300	8-	135,867
			Total Deductions	\$_	6,328,748	\$_	6,424,615
NET	OPE	RATING REVENUE		\$_	36,820,541	\$_	37,788,480
D.	Оре	erating Expenses					
	1.	Salaries and Wages					
		a. Clinical		\$	11,087,216	\$_	11,308,960
		b. Non-Clinical		_	7,272,566		7,418,017
	2.	Physicians Salaries and Wages		_	2,079,575	_	2,121,167
	3.	Supplies		_	2,939,689	_	2,993,376
	4.	Rent					
		a. Paid to Affiliates			398,020	-	405,981
		b. Paid to Non-Affiliates		_		-	
	5.	Management Fees					
		a. Paid to Affiliates		_		2	
		b. Paid to Non-Affiliates		_		-	
	6.	Other Operating Expenses	See itemization, p.2.	_	9,862,979	_	10,059,210
			Total Operating Expenses	\$_	33,640,045	\$_	34,306,711
E.	Ear	nings Before Interest, Taxes, and	d Depreciation	\$ _	3,180,496	\$_	3,481,770
E.	Non-Operating Expenses						
	1.	Taxes		\$	0	\$	0
	2.	Depreciation			1,222,260	1.00	1,222,260
	3.	Interest			123,036	-	123,036
	4.	Other Non-Operating Expenses		_	35,289	i 	35,818
		·	Total Non-Operating Expenses	\$_	1,380,585	\$	1,381,114
NET INCOME (LOSS)			\$_	1,799,911	\$_	2,100,655	
Chart Continues Onto Next Page							

			Year One		Year Two
NET	INCOME (LOSS)	\$	1,799,911	\$ _	2,100,655
G.	Other Deductions				
	1. Annual Principal Debt Repayment	\$_	826,240	\$_	836,812
	2. Annual Capital Expenditure		500,000		500,000
	Total Other Deductions	\$	1,326,240	\$_	1,336,812
	NET BALANCE	\$	473,671	\$_	763,843
	DEPRECIATION	\$	1,222,260	\$_	1,222,260
	FREE CASH FLOW (Net Balance + Depreciation)	\$	1,695,931	\$_	1,986,103

X TOTAL FACILITY

O PROJECT ONLY

PROJECTED DATA CHART - OTHER EXPENSES

OTH	HER EXPENSES CATEGORIES		Year One		Year Two
1.	Employee taxes & benefits	\$_	4,473,969	\$_	4,563,448
2.	Mileage & fleet		657,390		663,964
3.	Purchased services	-	832,031	0	862,337
4.	Occupancy & facility		1,254,766	1000	1,271,741
5.	Telephone and IT	=== !==	900,002		918,002
6.	Other	_	1,744,821		1,779,717
7.					
8.					
9.					
10.					
11.		· ·			
12.		-			
13.		_			
14		-		_	
15a		·-		-	
	Total Other Expenses	\$	9,862,979	\$	10,059,210

PROJECTED DATA CHART - THE RESIDENCE AT ALIVE HOSPICE MURFREESBORO

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January.

A.		zation Data ecify unit or measure)	Admission Patient Days	::	Year One 412 5,112	-	Year Two 471 5,844
В.	Rev. 1. 2. 3.	enue from Services to Patients Inpatient Services Outpatient Services Emergency Services		\$	2,880,507	\$_ 	3,340,282
	4.	Other Operating Revenue		_	257,723	_	257,723_
		(Specify) (pledges received	from capital campaign)	.	2 120 220	¢	3 500 005
			Gross Operating Revenue	\$	3,138,230	^{\$} _	3,598,005
C.	Ded 1. 2. 3.	uctions from Gross Operating Re Contractual Adjustments Provision for Charity Care Provisions for Bad Debt		\$	101,185 88,118 29,439	\$	117,332 102,180 33,998
			Total Deductions	\$ —	218,742	<u>\$</u> _	253,509
NET		RATING REVENUE		\$	2,919,488	*-	3,344,496
D.		rating Expenses					
	1.	Salaries and Wages		\$	1 226 750	\$	1,251,294
		a. Clinical		a —	1,226,759 94,752	Ψ-	96,647
	_	b. Non-Clinical		-	94,732	-	0
	2.	Physicians Salaries and Wages		-	167,692	-	193,659
	3.	Supplies		-	107,032	-	155,005
	4.	Rent a. Paid to Affiliates					
		b. Paid to Non-Affiliates		•			
	5.	Management Fees a. Paid to Affiliates b. Paid to Non-Affiliates		_		-	
	6.	Other Operating Expenses	See itemization, p.2.		849,794	-	883,993
	٠.	other operating Expenses	Total Operating Expenses	\$	2,338,997	\$	2,425,594
E.	Ear	nings Before Interest, Taxes, and	•	\$_	580,491	\$_	918,902
F.	Non	-Operating Expenses					
	1.	Taxes		\$_	0	\$_	0
	2.	Depreciation		-	345,075	_	345,075
	3.	Interest		_	72,777	-	72,777
	4.	Other Non-Operating Expenses			0	-	0
		י	Total Non-Operating Expenses	\$_	417,852	\$_	417,852
NET	r INC	DME (LOSS)		\$_	162,639	\$_	501,050
		ntinues Onto Next Page					

			Year One		Year Two
NET IN	NCOME (LOSS)	\$_	162,639	\$ _	501,050
G.	Other Deductions				
	Annual Principal Debt Repayment	\$	0	\$_	0
	2. Annual Capital Expenditure		50,000		75,000
	Total Other Deductions	\$	50,000	\$_	75,000
	NET BALANCE	\$	112,639	\$_	426,050
	DEPRECIATION	\$	345,075	\$_	345,075
	FREE CASH FLOW (Net Balance + Depreciation)	\$_	457,714	\$_	771,125

O TOTAL FACILITY

X PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTH	HER EXPENSES CATEGORIES	Year One		Year Two
1.	Employee taxes & benefits	\$327,946_	\$	334,505
2.	Mileage & fleet	1,000		1,010
3.	Purchased services	122,460		142,122
4.	Occupancy & facility	218,450		222,819
5.	Telephone and IT	21,485		21,915
6.	Other	14,877		15,175
7.	Dietary	143,576		146,448
8.		· · · · · · · · · · · · · · · · · · ·		
9.	8		7	
10.	1			
11.	<u> </u>			
12.	*)		
13.			-	
14				
15.				
. 0.	Total Other Expenses	\$ 849,794	\$_	883,993

E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Project	Project			
	Previous	Current			% Change
	Year	Year	Project	Project	(Current
	2016	2017	Year One	Year Two	Yr1 - Yr2)
Gross Charge Gross	NA	\$6,478	\$7,612	\$7,634	0.3%
Operating Revenue / Admission					
Operating Revenue / Day	NA	\$523	\$614	\$616	0.3%
Deduction from Revenue Total	NA	\$570	\$531	\$538	1.3%
Deductions / Admission					
Deductions / Day	NA	\$46	\$43	\$43	0%
Average Net Charge Net	NA	\$5,909	\$7,082	\$7,096	0.2%
Operating Revenue / Admission		,			
Operating Revenue / Day	NA	\$477	\$571	\$572	0.2%

Note: Data is rounded to nearest dollar so average net charge will not always exactly equal gross charges minus revenue deductions.

E. 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

The project will be funded by community contributions and/or contributions from the parent company, so there will be no debt service to impact current charges. No significant increases in charges are projected during the next two years.

E. 3). Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Alive Hospice has a policy of billing all levels of care at current Medicare reimbursement rates, adjusted by Federal rules applicable to providers' location-related costs (e.g., wage variations between urban and rural locations).

Table B-Economic Feasibility E. 3) A on the following page shows the Medicare rates and the Murfreesboro Residence's adjusted charges, for levels of care that can be provided at the Residence (which are all levels except Continuous Care). Alive does not project any significant Medicare rate increase during the next three years; so the Murfreesboro Residence's projected charges are very close to current charges.

Table B-Economic Feasibility E. 3) B on the second following page shows the most recent (2017) comparative per diem rates reported by five other Residential Hospices across the State, including one in Chattanooga.

Table B-Economic Feasibility E. 3) C on the third following page shows the most recent three years' Joint Annual Report data on rates at all hospices authorized to serve this area. Again, Alive Residential Hospice Murfreesboro is the only free-standing Residential Hospice in this project's primary service area.

	Table B-Ec	conomic Feasibility-E. 3)A: Rates Charged for Levels of Care	ed for Levels of (Care		
	The Re	The Residences at Alive HospicesMurfreesboro and Nashville	oro and Nashville			
			Current	Current	Yr One	Yr Two
				Alive Residential	Alive Residential Alive Residential Alive Residential	Alive Residential
Medicare	Revenue		Medicare	Hospice	Hospice	Hospice
HCPCS Code	Code	Description	Rate - per diem	Rate - per diem Charge - per diem Charge - per diem Charge - per diem	Charge - per diem	Charge - per diem
Various - see below	959	General Inpatient Care - GIP	\$743.55	\$710.04	\$710.04	\$710.04
Various - see below	651	Routine Home Care - RHC, Days 1-60	\$192,78	\$183.45	\$183.45	\$183.45
Various - see below		Routine Home Care - RHC, Days 61+	\$151.41	\$144.09	\$144.09	\$144.09
Various - see below	655	Respite Care	\$172.78	\$160.91	\$160.91	\$160.91
Various - see below	652	Continuous Care*	na	na	па	na
Various - see below	None	Residential Room and Bed**	\$250.00	\$250.00	\$250.00	\$250.00
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7 M. Harton St. Contraction (1)					

Source: Hospice management

Note: Alive Hospice bills all patients at Medicare rates. Table assumes no change in Medicare rates. *Can only be delivered in a patients home (not in an inpatient care unit. This is an hourly charge **Amount charged to individuals for room and board - residential patient, in addition to clnical care charges

Medicare	
HCPCS Code	Place of Service
Q5001	Patient's home
Q5002	Assisted Living Facility (ALF)
Q5003	Nursing Facility Long Term Care (LTC)
Q5004	Nursing Facility Skilled (SNF)
Q5005	Hospital
Q5006	In-patient Hospice Facility
Q5010	Hospice Facility (Residential)

Table C-Economic Feasibility-E 3)	B: Per Die	em Rates of	Five Tenne	ssee Residen	bility-E 3)B: Per Diem Rates of Five Tennessee Residential Hospices
			FY	FYE 2017	
	State ID			General	
	Number		Continuous	Inpatient Care	Respite Inpatient
	(трн)	Routine Care	Care	(GIP)	Care
Baptist Trinity Hospice House Shelby / Memphis	90962	\$175.00	\$886.00	\$679.00	\$160.00
		To the second			高-145 <u>氧型5 展</u> 点
Cumberland House Cumberland / Crossville	18614	\$164.00	\$832.00	\$641.00	\$152.00
			THE PARTY	The Board of the State of the S	THE REAL PROPERTY.
Hospice of Chattanooga-Walker Rd. Hamilton					
/ Chattanooga	33663	\$171.00	\$867.00	\$665.00	\$157.00
		Section 1	STOR WE WAS		
Tennova (Mercy) Hospice (formerly St.					
Mary's) Knox / Knoxville	47692	\$159.00	\$816.00	\$640.00	\$152.00
			The second second		
Wellmont Hospice House Sullivan /		S	30	ý	
Bristol	82691	\$164.00	\$832.00	\$641.00	\$152.00
	- St. of Co St.	- 1 - 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			

Source: 2017 Joint Annual Reports of Hospices, Schedule D.

Table C-Economic Feasibility-E. 3)C:	Feasibility.		Diem Rate	s of Hospic	ces Authoriz	ed to Serve	Counties W	ithin the P	roject's Fiv	Per Diem Rates of Hospices Authorized to Serve Counties Within the Project's Five-County Primary Service Area	imary Serv	ice Area	
			FYE 2	YE 2015			FYE 2016	016			FYE	FYE 2017	
ŷ	State ID Number (TDH)	Routine Care	Continuous	General Inpatient Care (GIP)	Respite Inpatient Care	Routine Care	Continuous	General Inpatient Care (GIP)	Respite Inpatient Care	Routine Care	Continuous	General Inpatient Care (GIP)	Respite Inpatient Care
The Residence at Alive Hospice Davidson	19614	\$151.00	\$880.00	\$674.00	\$158.00	\$151.00	\$879.00	\$673.00	\$158.00	\$176.00	\$893.00	\$684.00	\$161.00
Alive Hospice Davidson	19624	\$151.00	\$880.00	\$674.00	\$158.00	\$151.00	\$879.00	\$673.00	\$158.00	\$176.00	\$893.00	\$684.00	\$161.00
Aseracare Hospice Davidson	19604	\$151.00	\$880.00	\$674.00	\$158.00	\$150.00	\$878.00	\$673.00	\$158.00	\$155.00	\$878.00	\$673.00	\$158.00
Avalon Hospice Davidson	19694	\$150.00	\$880.00	\$674.00	\$158.00	\$155.00	\$876.00	\$674.00	\$159.00	\$151.00	\$853.00	\$656.00	\$155.00
Caris Healthcare Davidson	19714	\$146.00	\$854.00	\$655.00	\$154.00	\$172.00	\$868.00	\$673.00	\$157.00	\$176.00	\$892.00	\$683.00	\$161.00
Caris Healthcare Rutherford	75624	\$142.00	\$828.00	\$637.00	\$151.00	\$165.00	\$836.00	\$643.00	\$152.00	\$176.00	\$893.00	\$684.00	\$161.00
Gentiva Hospice/Odyssey/Kindred Davidson	19684	\$148.00	\$862.00	\$660.00	\$155.00	\$153.00	\$895.00	\$684.00	\$160.00	\$176.00	\$893.00	\$684.00	\$161.00
Gentiva Hospice/Kindred Putnam	71604	\$148.00	\$862.00	\$660.00	\$155.00	\$137.00	\$802.00	\$618.00	\$147.00	\$129.00	\$832.00	\$641.00	\$152.00
Home Health Care of East TN Bradley	06613	\$138.00	\$802.00	\$618.00	\$147.00	\$158.00	\$799.00	\$615.00	\$146.00	\$161.00	\$815.00	\$628.00	\$149.00
Hospice Advantage/Adoration/Encompass	19724	\$148.00	\$862.00	\$660.00	\$155.00	\$161.00	\$944.00	\$720.00	\$167.00	\$176.00	\$596.00	\$684.00	\$161.00
Hospice Compassus Highland Rim Coffee	16604	\$135.00	\$792.00	\$605.00	\$144.00	\$154.00	\$888.00	\$673.00	\$158.00	\$177.00	\$840.00	\$686.00	\$161.00
Lincoln Medical HH & Hospice Lincoln	52614	\$137.00	\$802.00	\$618.00	\$147.00	\$139.00	\$815.00	\$628.00	\$149.00	\$139.00	\$815.00	\$628.00	\$149.00
Priority Hospice Care, Inc./Amedisys Davidson	19674	\$153.00	\$881.00	\$672.00	\$156.00	\$151.00	\$879.00	\$673.00	\$158.00	\$174.00	\$879.00	\$673.00	\$158.00
Willowbrook Hospice Williamson	94604	\$150.00	\$880.00	\$679.00	\$150.00	\$147.00	\$879.00	\$670.00	\$157.00	\$150.00	\$879.00	\$670.00	\$152.00

Source: 2017 Joint Annual Reports of Hospices, Schedule D.

F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The expanded Residence will be economically feasible in its first and subsequent years, with a positive net operating income and a positive cash flow. Even in 2018, it has attained breakeven.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.

Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as <u>Attachment C</u>, <u>Economic Feasibility</u>. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A

F. 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

	2 nd Yr Previous	1 st Yr Previous	=		
	to Current Yr	to Current Yr	Current Yr		
1	2015	2016	2017	Projected Yr 1	Projected Yr 2
Net Operating					
Margin Ratio	.075	.080	.050	.0864	.092

Note: This table reflects Alive Hospice, Inc.

	2 nd Yr Previous to Current Yr 2015	1 st Yr Previous to Current Yr 2016	Current Yr 2017	Projected Yr 1	Projected Yr 2
Net Operating					
Margin Ratio	NA	NA	(0.187)	0.199	0.275

Note: This table reflects the Alive Residential Hospice--Murfreesboro.

F. 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

Long-term debt: \$4,616,893 Net Assets: \$30,440,923

Calculation: \$4,616,893 / (\$4,616,893 + \$30,440,923) X 100=

 $(\$4,616,893 / \$35,057,816) \times 100 = 13.169$

G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Pr	ojected Payor Mix, Year 1	
	Projected Gross	As a Percent of
Payor Source	Operating Revenue	Total Revenue
Medicare/Medicare Managed Care	\$32,852,824	76.1%
TennCare/Medicaid	\$1,896,908	4.4%
Commercial/Other Managed Care	\$3,188,419	7.4%
Self-Pay	\$1,252,975	2.9%
Charity Care	\$1,168,609	2.7%
Other	\$2,789,554	6.5%
Total	\$43,149,289	100.0%

H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See the staffing table on the following page.

Table B-Need-	H: The Reside Current and	The Residence at Alive Hospi Current and Projected Staffing	d-H: The Residence at Alive Hospice Murfreesboro Current and Projected Staffing	ro
Position Classification	Existing FTEs	Projected FTEs (Yr 1)	Average Annual Salary (Contractual Rate)	Statewide Mean Wage
A. Direct Patient Care Positions Physician	1.00	1.00	1.00 On Alive Corporate	Not available
Director	1.00		\$70,000	Not available
Charge Nurse	3.60	3.60	\$58,000	\$60,050
Registered Nurse	4.20	00'6	\$52,500	\$60,050
Hospice Aide	4.20	06'6	\$25,000	\$25,000
Social Worker	00'0	1.00	\$52,000	\$51,560
Total Direct Patient Care Positions	14.00	25.50		
B. Non-Patient Care Positions				
Receptionist	1.20	1.20	\$29,000	\$27,340
Team Coordinator	1.00	1.00	\$33,500	Not available
Total Non-Patient Care Positions	2.20	2.20		
Total Employees (A + B)	16.20	27.70		
C. Contractual Staff	00'0	0.00		
Total Staff (A+B+C)	16.20	27.70		

Source: Applicant's management.

- I. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:
- 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why jnot, including reasons as to why they were rejected.

This project is the least costly and most effective and efficient alternative available to providing more residential hospice beds to the service area. This is the only facility in the area that has CON approval to offer this type of bed. The bed capacity is being achieved through a very low-cost internal renovation of existing space. It can be rapidly completed and brought into service in a matter of months. No alternative exists that could provide more benefits at less cost or more efficiently.

2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

No new construction will be required; this is a renovation project.

SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

Alive has contracts for providing hospice care at the numerous hospitals and nursing homes listed on the following five pages.

Alive's formal emergency transfer agreements are with Saint Thomas Rutherford Hospital and with TriStar StoneCrest Medical Center, both of which are in Rutherford County.

Alive has Clinical Education Agreements with 31 institutions under which their students perform clinical rotations at Alive. These contracts include the Vanderbilt University Hospice and Palliative Care fellows and the UT Health Sciences Center/St Thomas Rutherford Hospital Family Medicine and Emergency Medicine residents.

As for managed care organizations, the applicant is contracted with all that serve Middle Tennessee: Amerigroup, United Healthcare Community Plan, BlueCare, and TennCare Select.

Hospital Agreements

Vendor	Contract Type	Physical Address	City	County	ZipCode	
Cannon County Hospitals, LLC (Stones River Hospital)	Hospital Agreement	324 Doolittle Rd.	Woodbury	Cannon	37190	
Centennial Medical Center	Hospital Agreement	2300 Patterson St.	Nashville	Davidson	37203	
Hendersonville Medical Center	Hospital Agreement	355 New Shackle Island Rd.	Hendersonville	Sumner	37075	
Horizon Medical Center	Hospital Agreement	111 Highway 70 E.	Dickson	Dickson	37055	
Metropolitan Nashville General Hospital	Hospital Agreement	1818 Albion St.	Nashville	Davidson	37208	
NorthCrest Medical Center	Hospital Agreement	100 Northcrest Dr.	Springfield	Robertson	37172	
Saint Thomas Midtown Hospital	Hospital Agreement	2000 Church St.	Nashville	Davidson	37236	
Saint Thomas Rutherford Hospital	Hospital Agreement	1700 Medical Center Parkway	Murfreesboro	Rutherford	37129	
Saint Thomas West Hospital	Hospital Agreement	4220 Harding Pike	Nashville	Davidson	37205	
Saint Thomas DeKalb Hospital	Hospital Agreement	520 W. Main St.	Smithville	DeKalb	37166	
Saint Thomas Highlands Hospital	Hospital Agreement	401 Sewell Rd.	Sparta	White	38583	
Saint Thomas River Park Hospital	Hospital Agreement	reement 1559 Sparta St.		Warren	37110	
Saint Thomas Stones River Hospital	Hospital Agreement	324 Doolittle Rd.	Woodbury	Cannon	37190	
Skyline Medical Center	Hospital Agreement	3441 Dickerson Pike			37207	
Southern Hills Medical Center	Hospital Agreement	391 Wallace Rd.	Nashville	Davidson	37211	
StoneCrest Medical Center	Hospital Agreement	200 Stonecrest Blvd.	Smyrna	Rutherford	37167	
Summit Medical Center	Hospital Agreement	5655 First Blvd.	Hermitage	Davidson	37076	
Tennova Healthcare Shelbyville (Heritage Medical Center)	Hospital Agreement	2835 Highway 231 N.	Shelbyville	Bedford	37160	
Tennova Healthcare - Lebanon (University Medical Center)	Hospital Agreement	1411 W. Baddour Parkway	Lebanon	Wilson	37087	
Vanderbilt Medical Center	Hospital Agreement	1211 Medical Center Dr.	1211 Medical Center Dr. Nashville Davids			
Williamson County Hospital District d/b/a Williamson Medical Center	Hospital Agreement	4321 Carothers Parkway	Franklin	Williamson	37067	

Long Term Care Agreements					
Vendor	Contract Type	Physical Address	City		ZipCode
Boulevard Terrace Rehabilitation Center and Nursing Home	Long Term Care Agreement	1530 Middle Tennessee Blvd.	Murfreesboro	Rutherford	37130
Claiborne and Hughes Health Center	Long Term Care Agreement	200 Strahl St.	Franklin	Williamson	37064
Community Care of Rutherford County	Long Term Care Agreement	901 County Farm Rd.	Murfreesboro	Rutherford	37127
CornerStone of Ridgetop Haven, Inc.	Long Term Care Agreement	2002 Greer Rd.	Ridgetop	Robertson	37152
Creekside Health and Rehabilitation Center	Long Term Care Agreement	306 W. Due West Ave.	Madison	Davidson	37115
Crestview Health and Rehabilitation (Sklyline Health Partners)	Long Term Care Agreement	2030 25th Ave., N.	Nashville	Davidson	37208
Cumberland Manor Nursing Center	Long Term Care Agreement	4343 Ashland City Hwy.	Nashville	Davidson	37218
Dickson Health Care Center	Long Term Care Agreement	901 N. Charlotte St.	Dickson	Dickson	37055
Diversicare of Smyrna Rehabilitation Center (Mayfield Rehabilitation and Specialty Care	Long Term Care Agreement	200 Mayfield Dr.	Smyrna	Rutherford	37167
Center) Gallatin Center for Rehabilitation & Healing (Gallatin Health Care Associates)	Long Term Care Agreement	438 N. Water Ave.	Gallatin	Sumner	37066
Glen Oaks Health and Rehabilitation	Long Term Care Agreement	1101 Glenoaks Rd.	Shelbyville	Bedford	37160
Good Samaritan Health and Rehabilitation	Long Term Care Agreement	500 Hickory Hollow Ter.	Antioch	Davidson	37013
Grace Healthcare of Franklin	Long Term Care Agreement	1287 W. Main St.	Franklin	Williamson	37064
Grace HealthCare of Whites Creek (Whites Creek Healthcare, LLC dba)	Long Term Care Agreement	3425 Knight Dr.	Whites Creek	Davidson	37189
Greenhills Health and Rehabilitation Center	Long Term Care Agreement	3939 Hillsboro Cir.	Nashville	Davidson	37215
Hillcrest Healthcare Center, Ashland City	Long Term Care Agreement	111 Pemberton Dr.	Ashland City	Cheatham	37015
Horizon Health & Rehab	Long Term Care Agreement	811 Keylon St.	Manchester	Coffee	37312
Lakeshore Heartland	Long Term Care Agreement	3025 Fernbrook Ln.	Nashville	Davidson	37214
Lebanon Health and Rehab	Long Term Care Agreement	1731 Castle Heights Ct.	Lebanon	Wilson	37087
Life Care Center of Tullahoma	Long Term Care Agreement	1715 N. Jackson St.	Tullahoma	Coffee	37388
McKendree Village	Long Term Care Agreement	4347 Lebanon Pike	Hermitage	Davidson	37076
Mt. Juliet Health Care Center, Inc.	Long Term Care Agreement	2650 N. Mount Juliet Rd.	Mt. Juliet	Wilson	37122
Nashville Center for Rehabilitatin and Healing (Signature Healthcare of Nashville Rehabilitation	Long Term Care Agreement	832 Wedgewood Ave.	Nashville	Davidson	37203
and Wellness Center) Nashville Community Care and Rehabilitation at	Lona Term Care Agreement	1414 County Hospital Rd.	Nashville	Davidson	37218

NHC Murfreesboro	Long Term Care Agreement	420 North University St.	Murfreesboro	Rutherford	37130
IHC Place at The Trace	Long Term Care Agreement	8353 Highway 100	Nashville	Davidson	37221
IHC Place Cool Springs	Long Term Care Agreement	211 Cool Springs Blvd.	Franklin	Williamson	37067
IHC Place Sumner	Long Term Care Agreement	140 Thorne Blvd.	Gallatin	Sumner	37066
NHC Smithville	Long Term Care Agreement	825 Fisher Ave.	SmithvIlle	DeKalb	37166
NHC Springfield	Long Term Care Agreement	608 8th Ave., E.	Springfield	Robertson	37172
NHC Tullahoma	Long Term Care Agreement	1321 Cedar Ln.	Tullahoma	Coffee	37388
Northside Health Care Nursing and Rehabilitation Center	Long Term Care Agreement	202 E. Mtcs. Rd.	Murfreesboro	Rutherford	37129
Quality Care Health Center	Long Term Care Agreement	932 Baddour Parkway	Lebanon	Wilson	37087
Stones River Advanced Care Center	Long Term Care Agreement	205 Haynes Dr.	Murfreesboro	Rutherford	37129
Tennessee State Veterans' Home	Long Term Care Agreement	345 compton Rd.	Murfreesboro	Rutherford	37129
Signature HealthCARE of Madison (Madison	Long Term Care Agreement	431 Larkin Springs Rd.	Madison	Davldson	37115
Health and Rehabilitation Center)		215 Highland Circle Dr.	Portland	Sumner	37148
Signature HealthCARE of Portland Rehab & Wellness Center (The Bridge at Highland)	Long Term Care Agreement				
The HealthCare Center at Richland Place	Long Term Care Agreement	504 Elmington Ave.	Nashville	Davidson	37205
The Heritage at Brentwood (Somerfield Health Center)	Long Term Care Agreement	900 Heritage Way	Brentwood	Williamson	37027
The Meadows Senior Community (Lakeshore Meadows)	Long Term Care Agreement	8044 Coley Davis Rd.	Nashville	Davidson	37221
The Pavilion/THS (CPC)	Long Term Care Agreement	1406 Medical Center Dr.	Lebanon	Wilson	37087
The Waters of Cheatham (Christian Care Center of Cheatham County)	Long Term Care Agreement	2501 River Rd.	Ashland City	Cheatham	37015
The Waters of Gallatin (Golden Living Center - Brandywood)	Long Term Care Agreement	553 E. Bledsoe St.	Gallatin	Sumner	37066
The Waters of Robertson (Golden Living Center Springfield)	- Long Term Care Agreement	104 Watson Rd.	Springfield	Robertson	37172
The Waters of Shelbyville, LLC (Christian Care Center of Bedford County -Bedford County	Long Term Care Agreement	835 Union St.	Shelbyville	Bedford	37160
Nursing Home) The Waters of Smyrna, LLC (Christian Care Center of Rutherford County)	Long Term Care Agreement	202 Enon Springs Rd., E.	Smyrna	Rutherford	37167
The Waters of Springfield (Christian Care Center of Springfield)	Long Term Care Agreement	704 5th Ave., East	Springfield	Robertson	37172
Vanco Manor Nursing & Rehabilitation Center	Long Term Care Agreement	813 S. Dickerson Rd.	Goodlettsville	Davidson	37072
West Meade Place, LLP	Long Term Care Agreement	1000 Saint Luke Dr.	Nashville	Davidson	37205

Community Care of Rutherford County	ong Term Care Agreement	901 County Farm Rd.	Murfreesboro	Rutherford	37127
CornerStone of Ridgetop Haven, Inc.	ong Term Care Agreement	2002 Greer Rd.	Ridgetop	Robertson	37152
Creekside Health and Rehabilitation Center	ong Term Care Agreement	306 W. Due West Ave.	Madison	Davidson	37115
Crestview Health and Rehabilitation (Sklyline lealth Partners)	Long Term Care Agreement	2030 25th Ave., N.	Nashville	Davidson	37208
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and Wellness Center) Nashville Community Care and Rehabilitation at Bordeaux (Signature Healthcare)	Long Term Care Agreement	1414 County Hospital Rd.	Nashville	Davidson	37218
National HealthCare Corporation	Long Term Care Agreement	100 E. Vine St.	Murfreesboro	Rutherford	37130

B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

1) Positive Effects

The project will improve service area residents' access to Residential hospice beds that are not available to them in other types of facilities where hospice care is provided. The applicant's Murfreesboro Residence is the only facility of its kind in its primary service area. The proposed beds are needed very much, as evidenced by the facility's continuous operation at full occupancy, and with a waiting list.

The project will continue to provide charity care to area residents at levels much greater than that of other hospice organizations serving the area.

2) Negative Effects

The project has no negative impacts on any other provider. The facility proposing these beds is the only one of its kind in the service area. The applicant proposing these beds operates the only two Residences in a twelve-county area around Nashville. The original application had no opposition and had overwhelming support from a variety of healthcare facilities; this proposal enjoys similar support.

C. 1) Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.

Hospice care is a calling for most clinical professionals. Alive has been able to quickly staff this facility with competent and dedicated personnel, and is confident of its ability to increase that staffing to cover this small bed addition.

New staff will be absorbed into Alive's new employee orientation and curriculum programs, already in operation at this location and at Alive's other Residence in Nashville. Alive Hospice is well aware of licensing requirements of the Tennessee Department of Health, and will continue to meet or exceed applicable requirements at all its locations.

C. 2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

The applicant so verifies.

C. 3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Alive supports the education of future healthcare professionals through extensive rotational and training programs. Responses to the State Health Plan review criteria earlier in this application contain a list of Alive's current formal and informal agreements with 31 area organizations that train health professionals, including Vanderbilt School of Medicine's second-year students and Residents.

Alive has developed an innovative training program, ALIVE SHARE, to teach practicing clinicians how to have difficult healthcare conversations. It has been well-received by the Murfreesboro area community and its impact continues to grow. Alive has trained the Saint Thomas Rutherford Hospital Palliative Care Team and the Emergency and Family Medicine Residents who are training at the hospital under its partnership with UT.

Alive's Outreach Liaisons connect with community healthcare partners at dozens of area facilities (hospitals, skilled nursing facilities, assisted living facilities, rehabiliation facilities, etc.) to teach them about hospice and appropriate goals of care.

D. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Residential Hospice; currently licensed by the Tennessee Department of Health

Certification Type: current certification for both Medicare and Medicaid, by CMS

Accreditation: Full 3-year accreditation by the Joint Commission

1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

The applicant and the applicant's Murfreesboro Residence are licensed in good standing by the Tennessee Department of Health, are certified for participation in both Medicare and Medicaid (TennCare), and are fully accredited by the Joint Commission. Copies of licenses and accreditation documents are provided in the Attachments to this application.

2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

See Attachment Section B-Orderly Development-4B.

3) Doci	ımen	t and	explain	inspect	tions	within	the	past	three	surve	еу су	cles	whic	h have
resulted	in an	y of the	he follov	wing sta	te, fe	deral,	or ac	credi	ting b	ody a	ctions	s: s	usper	ision of
admissio	ns, ci	vil mo	netary p	enalties	, noti	ice of 2	3- ore	90-0	lay te	rminat	tion p	roce	edin	gs from
Medicar	e or	Medi	caid/Ter	ınCare,	revo	cation/	denia	l of	accre	editatio	on, o	r o	ther	similar
actions.														

a)	Discuss	what	measures	the	applicant	has o	r will	put in	place	to	avoid	similar	findings	in
the	future													

None of these actions has ever been taken against Alive Hospice, Inc.

- E. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:
- 1) Has any of the following:
- a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- b) Any entity in which any person(s) or entity with more than 5% ownership (direct of indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
- c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...
- 2). Been subjected to any of the following:
- a) Final Order or Judgment in a State licensure action;

No

b) Criminal fines in cases involving a Federal or State health care offense;

No

c) Civil monetary penalties in cases involving a Federal or State health care offense;

No

d) Administrative monetary penalties in cases involving a Federal or State health care offense;

No

No	
f) Suspen programs;	sion or termination of participation in Medicare or Medicaid/TennC
No	
	ently subject of/to an investigation, regulatory action, or party in any civil ction of which you are aware;
No	
h) Is prese	ntly subject to a corporate integrity agreement.
h) Is prese	ntly subject to a corporate integrity agreement.
	ntly subject to a corporate integrity agreement.
-	ntly subject to a corporate integrity agreement.

F. Outstanding Projects:

- 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
- 2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

		Outstandi	ng Projects	=	
			Annual Prog	gress Report*	
		Date			Expiration
CON Number	Project Name	Approved	Due Date	Date Filed	Date
CN					
Status:	ll				

Not applicable; the applicant has no outstanding Certificates of Need.

^{*} Annual Progress Reports — HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

- G. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.
- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?
- 2) If yes, have you submitted their <u>registration</u> to HSDA? If you have, what was the date of the submission?
- 3) If yes, have you submitted their <u>utilization</u> to HSDA? If you have, what was the date of the submission?

Facility	Date of HSDA Registration	Date of Last Utilization Submittal
-		

Not applicable. The applicant does not provide these services.

SECTION B: QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.

The applicant so verifies.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at http://www.tn.gov/health/topic/health-planning). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the <u>5 Principles for Achieving Better Health</u> found in the State Health Plan.

A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

An important component of health care is its optimization of quality of life. For patients in the last weeks and days of life, hospice care enhances their quality of life by easing pain, providing emotional companionship and comfort, fostering acceptance and forgiveness among families, and minimizing needless costs of care that can not prolong life.

B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

This project's location in a five-county area of largely rural communities significantly improved area residents' drive time access to hospice care when it opened in 2017. It is now full with a waiting list, which consistently delays access to patients in need of care. Some have died while on the waiting list; others have been diverted to more distant Residences that are harder for their families to reach. This project will open additional bed capacity, which will restore timely service area access to this unique community resource.

C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

The applicant's programs are models of economic efficiency. Charges are held at Medicare reimbursement rates.

D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

Alive Hospice and its Murfreesboro Residence are licensed by the State of Tennessee, fully certified for Medicare and Medicaid participation, and accredited by the Joint Commission.

E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

Alive's programs of community education and professional development, described elsewhere in the application, support the development of a high quality hospice workforce.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

This has been submitted with the application.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

Not applicable.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Complete the Project Completion Forecast Chart on the next page. If th project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- 2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

No extended schedule is requested.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
Initial HSDA Decision Date	0	Oct 24 / 2018
1. Architectural & engineering contract signed	6	Oct / 2018
2. Construction documents approved by TDH	51	Dec / 2018
3. Construction contract signed	66	Dec / 2018
4. Building permit secured	71	Jan / 2019
5. Site preparation completed	NA	NA
6. Building construction commenced	76	Jan / 2019
7. Construction 40% complete	106	Feb / 2019
8. Construction 80% complete	136	Mar / 2019
9. Construction 100% complete	166	Apr / 2019
10. * Issuance of license	171	Apr / 2019
11. *Initiation of service	172	Apr / 2019
12. Final architectural certification of payment	202	May 2019
13. Final Project Report Form (HF0055)	232	June 2019

^{*} For projects that <u>DO NOT</u> involve construction or renovation: please complete items 11-12 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OFTENNESSEE
COUNTY OFDAVIDSON
JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant
named in this application, that this project will be completed in accordance with the
application to the best of the Algelth Services and Development Agency, and T.C.A. 668.11s
application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-
1601, et seq., and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the
best of the agent's knowledge.
1.6.1) 111
SIGNATURE/TITLE
CONSULTANT
Sworn to and subscribed before me this $15^{\frac{1}{15}}$ day of $\frac{15^{\frac{1}{15}}}{\frac{1}{15}}$ day of $\frac{15^{\frac{1}{15}}}{\frac{1}{15}}$ a Notary
Public in and for the County/State of <u>DAVIDSON</u>
NOTARY PUBLIC
NOTART TOBLIC
My commission expires (Month/Day), 2622
M. M. o.
STATE OF TENNESSEE TENNESSEE NOTARY NOTARY PUBLIC
PUBLIC PU
86 COMMISSION EXPIRES

INDEX OF ATTACHMENTS

Section A

A-4A Legal Status and Ownership Structure of Applicant

A-6A Site Control Documentation

A-6B(1)a-d Plot Plan

A-6B(2) Floor Plan

Section B

B-Need-C Service Area Map

B-Economic Feasibility-A 5) Documentation of Construction Cost Estimate

B-Economic Feasibility-B 6) Documentation of Funding/Financing Availability

B-Economic Feasibility-F 1) Applicant's Financial Statements

B-Orderly Development-D 2) Licensure and Accreditation Findings and Corrections

Miscellaneous Levels of Hospice Care Under Medicare Rules

Support Letters

A-4A Legal Status and Ownership Structure of Applicant



Tennessee Secretary of State

Tre Hargett

Business Services Online > Find and Update a Business Record

Business Information Search

As of June 08, 2018 we have processed all corporate filings received in our office through June 07, 2018 and all annual reports received in our office through June 07, 2018.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search:						1-1 of 1
Sea	arch Name: Alive H	lospice, Inc.	• Starts	With () Contains		
	Control #:					
Active En	tities Only:					Search
Control#	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
000050358	NCORP	ALIVE HOSPICE, INC. TENNESSEE	Entity	Active	11/14/1975	Active
						1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by <u>Clicking Here</u>.

Click Here for information on the Business Services Online Search logic.

Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass
Tower, 6th Floor
Nashville, TN 37243
615-741-2286
8:00 a.m. until 4:30 p.m. (Central) Monday
- Friday.
Directions | State Holidays | Methods of Payment

Business Filings and Information (615) 741-2286 | TNSOS.CORPINFO@tn.gov

Certified Copies and Certificate of Existence (615) 741-6488 | TNSOS.CERT@tn.gov

Motor Vehicle Temporary Liens (615) 741-0529 | TNSOS.MVTL@tn.gov

Notary Commissions (615) 741-3699 | TNSOS.ATS@tn.gov

Uniform Commercial Code (UCC) (615) 741-3276 | TNSOS.UCC@tn.gov

Workers' Compensation Exemption Registrations (615) 741-0526 | TNSOS.WCER@tn.gov

Apostilles & Authentications (615) 741-0536 | TNSOS.ATS@tn.gov

Summons (615) 741-1799 | TNSOS.ATS@tn.gov

Trademarks (615) 741-0531 | TNSOS.ATS@tn.gov

Nonresident Fiduciaries (615) 741-0536 | TNSOS.ATS@tn.gov

Alive Hospice, Inc. Common Ownership (100%) Three Licenses Identical Federal Provider Numbers

Home Office 1718 Patterson Street, Nashville, TN 37203 Hospice License Number 324

> Murfreesboro Branch Office 1629 Williams Drive, Murfreesboro, TN 37129 Hospice License Number 324

Hendersonville Branch Office 205 West High Street, Suite 102, Lebanon, TN 37087 Hospice License Number 324

Madison Branch Office 510 Hospital Drive, Suite 410, Madison, TN 37115 Hospice License Number 324

Lebanon Branch Office 205 West High Street, Suite 102, Lebanon, TN 37087 Hospice License Number 324

Alive Hospice at TriStar Skyline Madison Campus 5000 Hospital Drive, Second Floor, Madison, TN 37115 Hospice License Number 324

Alive Hospice Residence--Nashville 1710 Patterson Street, Nashville, TN 37203 Residential Hospice License Number 3

Alive Hospice Residence--Murfreesboro 1629 Williams Drive, Murfreesboro, TN 37129 Residential Hospice License Number 10

Board for Licensing Health Care Facilities

Tennessee State of

License No. 0000000324

DEPARTMENT OF HEALTH

This its to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

Haspice			ALIVE HOSPICE	W			
Pocated at	d at	1718 PATTERSON STREET, NASHVILLE	EET, NASHVILL	щ			
County of	de	DAVIDSON		, Fennesse	si.		
	This	This license shall expur		MAY 20		, 20	2019 , and is subject
to the	heovision	to the provisions of Chapter 11, Fenn	sses Code	Annotated.	es Code Annotated. This license shall not be assignable or transferat	l not be assign	able or transferable,

laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder. and shall be subject to revocation at any time by the State Department of Realth, for failure to comply with the In Milness Moveof, we have hereunts set our hand and seal of the State this 18T day of MAY



By Chairmissioner DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

Board for Licensing Health Care Facilities



Tennessee

License No.

No. Beds

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

LO COMUNICIO ANTA MAGIN

. Residential Hospice	Cospice THE RESIDENCE/ALIVE HOSPICE	TE HOSPICE
Proceed at	1710 PATTERSON STREET, NASHVILLE	ASHVILLE
County of	DAVIDSON	, Tenmessee.
This	This license shall expire	APRIL 29 , and is subject
to the provision	s of Chapter 11, Fermessee	to the provisions of Chapter 11, Fermessee Code Annotated. This license shall not be assignable or transferable
and shall be su	bjed to revocation at any ti	and shall be subject to revocation at any time by the State Department of Realth, for failure to comply with the
laws of the Hi	do of Termesses or the rule	laws of the State of Fernessee or the rules and requiations of the State Department of Fealth issued thereunder
In Mitness Q	Recent, or have hereunto set	In Witness Mercel, or have hereunto set our hand and seal of the Flate this 12TH day of FEBRUARY, 2



Board for Licensing Health Care Facilities



Tennessee

License No.

No. Beds

DEPARTMENT OF HEALTH

This is to certify, that a license is howeby quanted by the State Department of Fleatth to

to conduct and maintain

Desidential Hosy	THE RESIDENCE AT ALIVE HOSPICE - MURPREESBORO	
Beated at	1629 WILLIAMS DRIVE, MURFREESBORO	

RUTHERFORD

2019 , and its subject laws of the State of Tenmessee os the rules and regulations of the State Department of Teatth issued thereweder. to the provisions of Chapter 11, Foundated Endo Ameriated. This license shall not be assignable or transferable, and shall be subject to resccution at any time by the Plate Department of Health, for failure to comply with the To Miness Mound, we have herewate set our hand and seal of the Flate this 26TH day of APRIL This license stall advice.



MRECTOR, DIVISION OF HEALTH CARE FACILITIES

Alive Hospice, Inc.

Nashville, TN

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the Home Care Accreditation Program

June 10, 2017

Accreditation is customarily valid for up to 36 months.

ID #39029

Print/Reprint Date: 08/07/2017

Mark R. Chassin, MD, FACP, MPP, MPH

President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

A.6A

Site Control Documentation

THIS INSTRUMENT PREPARED BY:

BASS, BERRY & SIMS PLC 150 Third Avenue South, Suite 2800 Nashville, Tennessee 37201

SPECIAL WARRANTY DEED

Address New Owner:	Send Tax Bills To:	Tax Parcel ID Number:
Alive Hospice, Inc.	Alive Hospice, Inc.	091A-C-013.00
1718 Patterson St.	1718 Patterson St.	
Nashville, TN 37203	Nashville, TN 37203	
Attn: Chief Financial Officer	Attn: Chief Financial Officer	

FOR AND IN CONSIDERATION OF the sum of TEN AND NO/100 DOLLARS (\$10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MARK PIRTLE GATEWAY, LLC, a Tennessee limited liability company and being formerly known as Pirtle-Defoor Gateway, LLC, a Tennessee limited liability company (the "Grantor"), has bargained and sold, and hereby transfers and conveys, to ALIVE HOSPICE, INC., a Tennessee non-profit corporation, and its successors and assigns (the "Grantee"), certain real property in Rutherford County, Tennessee, being more particularly described on Exhibit A attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD said property, together with the appurtenances, hereditaments, estate, title and interest thereto belonging, to Grantee, forever.

This is unimproved property.

Said property is conveyed subject to the matters described on Exhibit B attached hereto.

Grantor covenants and binds itself and its successors to warrant specially and defend to Grantee forever the title to said property against the lawful claims of all persons claiming through or under Grantor (excluding claims arising out of the matters set forth on Exhibit B), but no further or otherwise.

(Next Page is Signature Page)

Heather Dawbarn, Register
Rutherford County Tennessee
Rec #: 868922
Rec'd: 25.00 Instrument #: 2023234
State: 4447.57
Clerk: 1.00 Recorded
Other: 2.00 5/2/2016 at 2:44 PM
Total: 4475.57
Record Book 1471 Pgs 2820-2824

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument has caused same to be executed this 1st day of June, 2016.

MARK PIRTLE GATEWAY, LLC

Name: Mark Pinle

Title: Chief Manager

STATE OF TENNESSEE

COUNTY OF Rutherful)

Personally appeared before me, the undersigned, a Notary Public having authority within the State and County aforesaid, Mark Pirtle, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Chief Manager of Mark Pirtle Gateway, LLC, a Tennessee limited liability company, and is authorized by the limited liability company to execute this instrument on behalf of the limited liability company.

STATE OF TENNESSEE PUBLIC OF PUBLIC OF TENNESSEE PUBLIC OF TENNESS

WITNESS my hand, at office, this 1st day of June, 2016.

Notary Public

My Commission Expires:

2/2/18

STATE OF TENNESSEE)
COUNTY OF Duidson)

by activity of the control of the co

The actual consideration for this transfer or value of property transferred (whichever is greater) is \$1,202,045.00.

Affiant Organ

Sworn to and subscribed before me this <u>25</u> day of May, 2016.

Moutha & Morgan

My Commission Expires:

September 28,2016

Exhibit A

[Property Description]

Land in Rutherford County, Tennessee, being all of Lot No. 13, as shown on that certain Final Plat, Lots 12 and 13, Section III, Parkway Office Park, Commercial Subdivision, of record in Plat Book 34, page 234, Register's Office for Rutherford County, Tennessee, to which plat reference is hereby made for a more accurate and complete description of said lot.

BEING PART OF THE SAME property conveyed to Pirtle-Defoor Gateway, LLC, a Tennessee limited liability company by Warranty Deed from City of Murfreesboro, a municipal corporation, of record in Record Book 672, page 1615, Register's Office for Rutherford County, Tennessee. Pursuant to Articles of Amendment of record in Record Book 875, page 2484, Register's Office for Rutherford County, Tennessee, Pirtle-Defoor Gateway, LLC changed its name to Mark Pirtle Gateway, LLC.

Exhibit B

- 1. Taxes for the year 2016 and subsequent years, not yet due and payable.
- 2. Matters shown on Plat Book 34, page 234, Register's Office for Rutherford County, Tennessee.
- Declaration of Protective Covenants and Property Owner's Association for the Commerce Center of record in Record Book 224, page 407, said Register's Office, as amended by instruments of record in Record Book 574, page 2267, Record Book 672, page 1613, Record Book 979, page 1349, Record Book 980, page 2319, Record Book 1368, page 1058 and Record Book 1368, page 1054, said Register's Office.
- 4. Gas Line Easement of record in Deed Book 451, page 449, said Register's Office.
- 5. Subdivision Easement and Street Grant Easement of record in Record Book 910, page 2934.
- 6. Declaration of Re-Purified Waterline Easements of record in Record Book 446, page 168, said Register's Office.
- 7. Cross Easement and Maintenance Agreement of record in Record Book 575, page 2678, said Register's Office.

17057747.2

A-6B(1)a-d

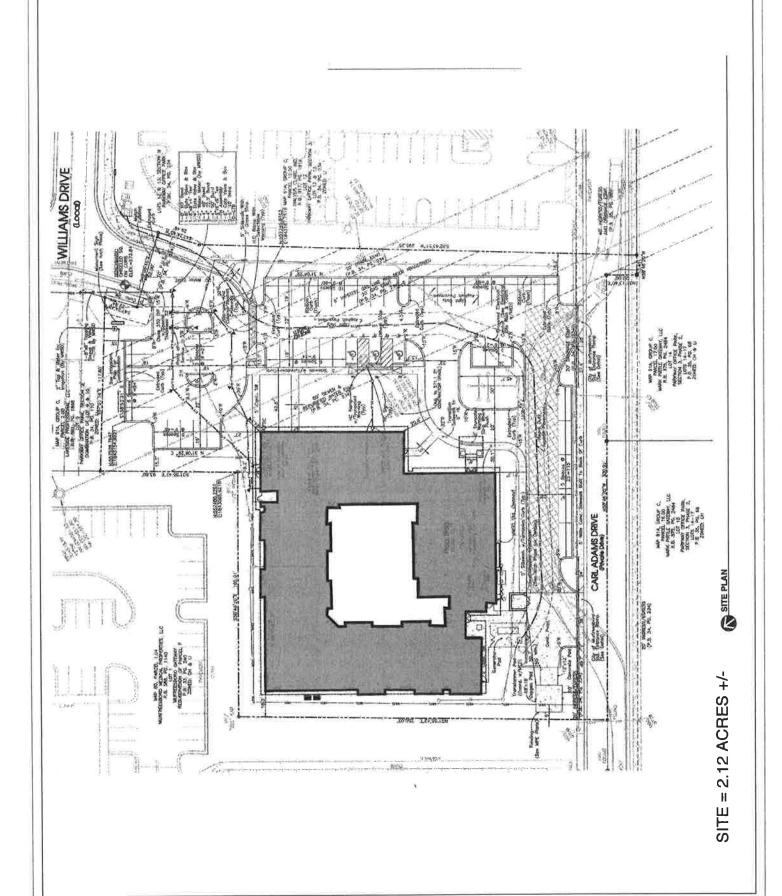
Plot Plan

Machine CON Probago Person in WHITE Person Are Down Door Senson The ARCHITECTURAL STEP PLAN

6-BED BUILD-OUT ALIVE HOSPICE RESIDENCE, MURFREESBORO

1629 WILLIAMS DRIVE, MURFREESBORO, TW

N. Samuel S. Sam

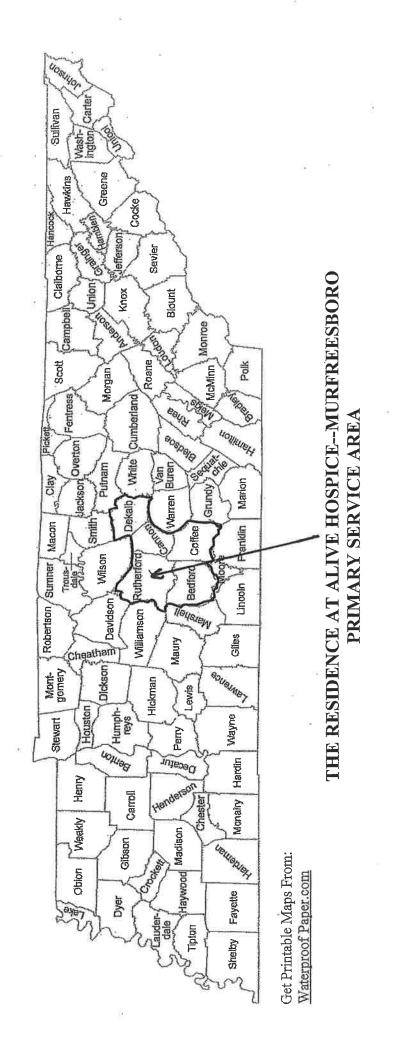


A-6B(2)

Floor Plans

6-BED BUILD-OUT A1.01 ALIVE HOSPICE RESIDENCE, MURFREESBORO (6) (3) (e) FLOOR PLAN MHS: Existing Residence Rooms 1-10 ම මේ (1) Θ Proposed Build-out of New Residence Rooms 11-16 Existing Building = 20,592 SF New Construction = 0 SF Renovated Area = 1,680 SF LEGEND

B-Need-C Service Area Map



B-Economic Feasibility-A 5) Documentation of Construction Cost Estimate





May 25, 2018

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN. 37243

RE: Residential Hospice Facility for Alive Hospice, Inc. In Rutherford County – Additional 6 Bed Build-out

Dear Ms. Hill,

Per our recent conversations with John Wellborn, a consultant working with Alive Hospice on a Certificate of Need submission for Murfreesboro, TN., we have prepared the following supporting documentation for your review.

Working with the Alive Hospice Team, we have reviewed the construction cost estimate provided by Turner Construction in the CON submission. Based upon our experience and knowledge in the current healthcare and senior living/nursing home market, it is our opinion that the application's projected construction costs of \$383,464 appears to be reasonable for a project of this type and size.

Below is a summary of the current building codes that would apply to the project. This list may not be entirely inclusive, but it expresses Alive Hospice's intent to address all applicable codes and standards, whether local, state or Federal, in the design and construction of the project. If you have any questions or comments regarding this information, please do not hesitate to call.

- International Building Code
- International Plumbing Code
- International Mechanical Code
- International Fuel Gas Code
- International Fire Code
- International Energy Conservation Code
- National Electric Code
- ICC A117.1 Accessible and Usable Buildings and Facilities
- Guidelines for the Design and Construction of Health Care Facilities (as applicable)
- Rules of the Tennessee Department of Health Board for Licensing Health Care Facilities

CHAPTER 1200-08-15 STANDARDS FOR RESIDENTAL HOSPICES

President

Tennessee Professional Architect License #20972

B-Economic Feasibility--B 6)

Documentation of Funding/Financing Availability



MAIN OFFICE

1718 PATTERSON STREET | NASHVILLE, TSC 97203 P.645-327,1085 | TOLL FREE 800,327-1085 | F.645,521,8905

alivehospice.org

June 14, 2018

Melanie M. Hill, Executive Director Tennessee Health Facilities Commission Andrew Jackson State Office Building, Suite 850 500 Deaderick Street Nashville, Tennessee 37243

Dear Mrs. Hill:

Alive Hospice, Inc. is applying for a Certificate of Need to increase the inpatient bed complement of its Residence at Murfreesboro by six beds. The project will require only internal renovation, at an estimated total project cost of approximately \$537,000.

As Chief Executive Officer of Alive Hospice, Inc. I am writing to confirm that we intend to fund the project through a capital campaign, as the initial construction of this Residence was funded. Should the campaign not raise sufficient funds to implement the project, Alive Hospice, Inc. has sufficient operating cash flow and cash reserves to provide all of the required funds in cash, and intends to do so if necessary.

The application includes our financial statements documenting that sufficient cash reserves, operating income, and lines of credit exist to fund this project.

Sincerely,

Anna-Gene O'Neal

Chief Executive Officer

B-Economic Feasibility--F 1)

Applicant's Financial Statements

Financial Statements

December 31, 2017 and 2016

(With Independent Auditors' Report Thereon)



Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Operations and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to the Financial Statements	5 - 20



INDEPENDENT AUDITORS' REPORT

The Board of Directors of Alive Hospice, Inc.:

We have audited the accompanying financial statements of Alive Hospice, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alive Hospice, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LBMC, PC

Statements of Financial Position

December 31, 2017 and 2016

<u>Assets</u>

Current assets: S,757,640 \$ 8,430,59 Cash and cash equivalents 323,665 490,953 Patient accounts receivable, net 2,986,773 2,279,920 Pledges receivable, net 830,376 1,048,862 Prepaid expenses 287,004 251,630 Other current assets 180,097 70,949 Total current assets 10,365,555 12,572,822 Pledges receivable, net, excluding current portion 2,050,283 2,891,935 Investments 2,123,707 1,946,915 Property and equipment, net 22,417,490 14,433,385 Goodwill 554,293 554,293 Investment in joint venture 1,000 1,000 Liabilities and Net Assets Current liabilities Current portion of long-term debt \$ 53,960 \$ Accough expenses and other liabilities 1,615,297 1,337,7842 Accough expenses and other liabilities 2,308,228 2,675,421 Long-term debt, excluding current portion 4,616,893 2,675,421			<u>2017</u>		<u>2016</u>	
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Newstreements	Pledges receivable, net, excluding current portion		2,050,283		2,891,935	
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Soddwill S54,293 S54,293 1,000			22,417,490		14,433,385	
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Current portion of long-term debt \$ 53,960 \$	<u>Liabilities and Net Assets</u>					
Accounts payable 638,971 1,317,842 Accrued expenses and other liabilities 1,615,297 1,357,579 Total current liabilities 2,308,228 2,675,421 Long-term debt, excluding current portion 4,616,893	Current liabilities:					
Accrued expenses and other liabilities 1,615,297 1,357,579 Total current liabilities 2,308,228 2,675,421 Long-term debt, excluding current portion 4,616,893 - Other long-term liabilities 146,284 - Total liabilities 7,071,405 2,675,421 Net assets: Unrestricted 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Current portion of long-term debt	\$	53,960	\$		
Total current liabilities 2,308,228 2,675,421 Long-term debt, excluding current portion 4,616,893 - Other long-term liabilities 146,284 - Total liabilities 7,071,405 2,675,421 Net assets: Unrestricted Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Accounts payable		638,971			
Long-term debt, excluding current portion 4,616,893 - Other long-term liabilities 146,284 - Total liabilities 7,071,405 2,675,421 Net assets: Unrestricted Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Accrued expenses and other liabilities	-	1,615,297		<u>1,357,579</u>	
Other long-term liabilities 146,284 - Total liabilities 7,071,405 2,675,421 Net assets: Unrestricted Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Total current liabilities		2,308,228		2,675,421	
Other long-term liabilities 146,284 - Total liabilities 7,071,405 2,675,421 Net assets: Unrestricted Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Long-term debt, excluding current portion		4,616,893			
Net assets: Unrestricted Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929		-	146,284	-		
Unrestricted 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Total liabilities	=	7,071,405		2,675,421	
Undesignated 21,350,582 20,778,683 Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Net assets:					
Board designated 520,481 462,023 Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Unrestricted					
Total unrestricted net assets 21,871,063 21,240,706 Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Undesignated		21,350,582		20,778,683	
Temporarily restricted 7,384,671 7,304,034 Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Board designated	_	<u>520,481</u>		462,023	
Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Total unrestricted net assets		21,871,063		21,240,706	
Permanently restricted 1,185,189 1,180,189 Total net assets 30,440,923 29,724,929	Temporarily restricted		7,384,671		7,304,034	
	· · · · · · · · · · · · · · · · · · ·	_	1,185,189	_	1,180,189	
\$ <u>37,512,328</u> \$ <u>32,400,350</u>	Total net assets	93	30,440,923	_	29,724,929	
		\$_	37,512,328	\$	32,400,350	

Statements of Operations and Changes in Net Assets

Years ended December 31, 2017 and 2016

	2017	<u>2016</u>
Unrestricted net assets:		
Revenue:		
Net patient service revenue	\$ 29,151,634	\$ 27,740,756
Contributions and fundraising	1,910,872	1,947,405
Investment income	63,516	60,699
Net realized gain (loss) on investments	2,981	(2,394)
Other revenue	89,341	57,385
Net assets released from restriction used for operations	528,633	<u>455,853</u>
Total operating revenue	31,746,977	30,259,704
Operating expenses:		
Salaries and wages	17,887,364	16,150,126
Employee benefits	3,589,558	3,075,891
Contract labor	536,771	618,161
Purchased services	1,442,307	1,319,607
Pharmacy and medical supplies	2,658,046	2,702,768
Occupancy and equipment	1,808,552	1,731,543
Other	2,131,211	2,160,461
Depreciation	801,010	551,986
Provision for uncollectible accounts	111,559	94,145
Interest	84,660	24,342
Total operating expenses	31,051,038	28,429,030
Excess of revenues over expenses	695,939	1,830,674
Non-operating revenue (expenses):		
Net unrealized gain on investments	71,467	24,047
Interest expense	(15,101)	<u> </u>
Depreciation expense	(10,284)	2
Net assets released from restriction used for Alive Institute	85,587	62,630
Other expenses, net	(197,251)	(86,047)
Total non-operating expenses	(65,582)	630
Change in unrestricted net assets	630,357	1,831,304
Temporarily restricted net assets:		F 707 740
Contributions, net	539,674	5,737,742
Investment income	18,255	20,656
Net realized and unrealized gains on investments	136,928	39,891
Net assets released from restriction used for operations	(528,633)	(455,853)
Net assets released from restriction used for Alive Institute	(85,587)	(62,630)
Change in temporarily restricted net assets	80,637	5,279,806
Permanently restricted net assets:		
Contributions	5,000	5,066
Change in permanently restricted net assets	5,000	5,066
Change in net assets	715,994	7,116,176
Net assets at beginning of year	29,724,929	22,608,753
Net assets at end of year	\$30,440,923	\$ 29,724,929

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	<u>2017</u>	2016
Cash flows from operating activities:		
Change in net assets	\$ 715,994	\$ 7,116,176
Adjustments to reconcile change in net assets to net cash provided		
by operating activities:		
Depreciation	811,294	551,986
Loss on disposal of equipment	(38)	(10,469)
Net realized and unrealized gains on investments	(211,376)	(61,544)
Provision for uncollectible accounts	111,559	94,145
Restricted contributions received	(5,000)	(5,066)
Changes in assets and liabilities:		
Accounts receivable	(818,412)	222,488
Pledges receivable	1,060,138	(3,241,485)
Prepaid expenses	(35,374)	(12,825)
Other current assets	(109,148)	1,475
Accounts payable	(678,871)	808,734
Accrued expenses and other liabilities	216,118	(56,349)
Net cash provided by operating activities	1,056,884	<u>5,407,266</u>
Cash flows from investing activities:		
Proceeds from sale of investments	632,383	465,989
Purchases of investments	(597,799)	(506,687)
Proceeds from sale of property and equipment	99.X	13,100
Purchases of property and equipment	(8,607 <u>,</u> 477)	(4,223,845)
(Deposits to) withdrawals from restricted cash	167,288	(468,591)
Net cash used by investing activities	(8,405,605)	(4,720,034)
Cash flows from financing activities:		
Proceeds from long-term debt	5,175,000	
Payments of long-term debt	(504,147)	
Proceeds from restricted contributions	5,000	5,066
Net cash provided by financing activities	4,675,853	5,066
Increase (decrease) in cash and cash equivalents	(2,672,868)	692,298
Cash and cash equivalents at beginning of year	8,430,508	7,738,210
Cash and cash equivalents at end of year	\$ <u>5,757,640</u>	\$8,430,508
Supplemental disclosure of cash flow information - cash paid for interest	\$119,208	\$\$
Supplemental disclosure of non-cash investing activity - tenant improvements	\$187,884	\$

Notes to the Financial Statements

December 31, 2017 and 2016

(1) Nature of activities

Alive Hospice, Inc. (the "Organization"), provides medical, psychological, and spiritual care to terminally ill patients and their families, located primarily in Middle Tennessee.

In June 2017, the Organization opened The Residence at Alive Hospice - Murfreesboro, a 10 bed inpatient facility in Murfreesboro, Tennessee.

(2) Summary of significant accounting policies

The financial statements of the Organization are presented on the accrual basis. The significant accounting policies followed are described below.

(a) Basis of presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

<u>Unrestricted net assets</u> - Net assets that are not permanently restricted nor temporarily restricted by donor-imposed restrictions. The unrestricted net assets are comprised of Board designated and unrestricted amounts. Board designated net assets are designated for various purposes based on the direction of the Organization's Board of Directors, and are not specified as an endowment.

<u>Temporarily restricted net assets</u> - Net assets resulting from contributions and other inflows of net assets whose use by the Organization is limited by donor-imposed restrictions that either expire by the passage of time or by actions of the Organization. Temporarily restricted net assets at December 31, 2017 and 2016 represent pledges receivable, accumulated earnings on endowment funds, and donor-restricted funds designated for various programs offered by the Organization.

<u>Permanently restricted net assets</u> - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. Permanently restricted net assets at December 31, 2017 and 2016 represent donor-restricted gifts that have been invested and are to be maintained in perpetuity, the earnings from which are temporarily restricted to support various programs offered by the Organization.

(b) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

Notes to the Financial Statements

December 31, 2017 and 2016

At December 31, 2017 and 2016, and at times during the year, deposits exceeded the federally insured limits. However, management monitors the soundness of the financial institutions and feels the Organization's risk is negligible.

(c) Accounts receivable

The accounts receivable balance represents the unpaid amounts billed to patients and third-party payors. Contractual adjustments, discounts, and an allowance for uncollectible accounts are recorded to report receivables for patient care services at net realizable value. Past due receivables are determined based on contractual terms. The Organization does not accrue interest on any of its accounts receivable. As of December 31, 2017 and 2016, approximately 83% and 87%, respectively, of the Organization's accounts receivable are from Medicare and Medicaid.

(d) Allowance for uncollectible accounts

The allowance for uncollectible accounts is determined by management based upon the Organization's historical losses, specific patient circumstances, and general economic conditions. Periodically, management reviews patient accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the internal collection policy. Management believes the allowance of \$424,853 and \$349,863 as of December 31, 2017 and 2016, respectively, is adequate to cover potential losses from uncollectible accounts.

(e) Pledges receivable

Pledges receivable represent the remaining balance of unconditional promises to give that have not yet been paid. Pledges that are expected to be collected within one year or less are recorded at net realizable value. For pledges that are expected to be collected beyond one year, management has determined the difference between net realizable value and the present value of their estimated future cash flows and recorded a discount on pledges receivable for this amount. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

(f) Investments

All investments are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Notes to the Financial Statements

December 31, 2017 and 2016

(g) Property and equipment

Property and equipment are stated at cost or, if donated to the Organization, at their fair value at the date of gift. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Additions and improvements over \$500 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method (buildings and improvements, 32-40 years; office furniture and equipment, 3-15 years).

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted support unless explicit donor restrictions specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor restrictions about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(h) Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets of businesses acquired. The carrying amount of goodwill is reviewed annually to determine if facts and circumstances suggest that assets may be impaired. As of December 31, 2017 and 2016, management believes that no impairment existed.

(i) Investment in joint venture

The Organization accounts for its investment in a joint venture using the cost method. Under the cost method, the investment is recorded at cost and subsequent distributions from the joint venture are treated as a reduction of the investment.

(j) Net patient service revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Approximately 96% and 94% of the Organization's net patient service revenue was derived from the Medicare and Medicaid programs for the years ended December 31, 2017 and 2016, respectively.

Provisions for estimated third-party payor settlements have been made in the financial statements for estimated contractual adjustments, representing the difference between the standard charges for services and estimated total payments to be received from third-party payors. These estimates are adjusted in future periods as final settlements are determined.

Notes to the Financial Statements

December 31, 2017 and 2016

The Organization, like other healthcare providers, may be subject to investigations, regulatory action, lawsuits, and claims arising out of the conduct of its business, including the interpretation of laws and regulations governing the Medicare and Medicaid programs and other third-party payor agreements. At this time, no specific alleged violations, claims, or assessments have been made. Management intends to fully cooperate with any governmental agencies in requests for information. Noncompliance with laws and regulations can make the Organization subject to regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Hospice organizations are subject to two specific payment limit caps under the Medicare program. One limit relates to inpatient care days that exceed 20% of the total days of hospice care provided for the year. The Organization did not exceed the 20% cap related to inpatient days in 2017 and 2016. The second limit relates to an aggregate Medicare reimbursement cap calculated by the Medicare fiscal intermediary. The Organization did not exceed the Medicare cap for the years ended December 31, 2017 and 2016.

(k) Nursing home costs

Patients may reside in their own home or in a facility. The Organization contracts with nursing homes to provide room and board services to its Medicaid patients. The Organization is obligated to bill Medicaid and to pay the nursing home for their room and board services for those Medicaid eligible patients. Medicaid pays the Organization 95% of the facility daily rate less the patient's liability amount. The Organization pays the nursing home 100% of the Medicaid daily rate less the patient's liability amount. Medicaid nursing home costs are offset by Medicaid nursing home reimbursements, and the net amount is included in purchased services in the accompanying statements of operations and changes in net assets. In 2017, the Medicaid nursing home costs totaled \$1,574,396 while nursing home reimbursement totaled \$1,521,642. In 2016, the Medicaid nursing home costs totaled \$1,622,591 while nursing home reimbursement totaled \$1,618,092.

(I) Charity care

The Organization has a policy of providing charity care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. The estimated cost of charity care was approximately \$938,000 and \$818,000 for the years ended December 31, 2017 and 2016, respectively. The cost estimate was based on the organization-wide cost to charge ratio.

(m) Contributions

Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

Notes to the Financial Statements

December 31, 2017 and 2016

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restriction.

If a restriction is fulfilled in the same accounting period in which the contribution is received, the contribution is reported as unrestricted.

In-kind contributions are recorded based on their estimated fair value at the date of donation. During 2017 and 2016, the Organization received approximately \$42,000 and \$33,000 in in-kind contributions, respectively.

(n) Income taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements.

As of December 31, 2017 and 2016, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Organization files a U.S. Federal information tax return.

(o) Long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(p) Performance indicator

Excess of revenue over expenses reflected in the accompanying statements of operations and changes in net assets is a performance indicator.

(q) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

December 31, 2017 and 2016

(r) Reclassifications

Certain reclassifications have been made to the 2016 financial statements in order for them to conform to the 2017 presentation. These reclassifications have no effect on net assets or changes in net assets as previously reported.

(s) Events occurring after reporting date

The Organization has evaluated events and transactions that occurred between December 31, 2017 and June 5, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Restricted cash

At December 31, 2017 and 2016, restricted cash represents donor contributions collected that are restricted for use on the Murfreesboro, Tennessee inpatient facility. The 2017 balance represents contributions collected that will be applied to the related construction note (see Note 11). The 2016 balance represents contributions collected and used to fund the construction.

(4) Accounts receivable

At December 31, 2017 and 2016, accounts receivable consists of the following by payor type:

		2017		<u>2016</u>
Medicare Medicaid Commercial and other	\$	2,688,850 846,973 836,133	\$	2,483,986 923,371 612,500
		4,371,956		4,019,857
Allowance for doubtful accounts Medicare periodic interim payment program	8-	(424,853) (960,330)	-	(349,863) (1,390,074)
	\$	2,986,773	\$	2,279,920

Notes to the Financial Statements

December 31, 2017 and 2016

(5) Pledges receivable

The Organization recognizes unconditional promises to give at fair value in the period the promise is made. Pledges receivable are scheduled to be received over the following periods at December 31, 2017 and 2016:

	2017	<u>2016</u>
Less than one year One to five years	\$ 892,877 	\$ 1,104,043 <u>3,270,478</u>
Total pledges receivable	3,226,977	4,374,521
Allowance for uncollectible pledges	(146,343)	(194,269)
Discount on pledges	(199,975)	(239,455)
	\$2,880,659	\$3,940,797

For 2017 and 2016, a rate of 1.60% was used to determine the estimated discount on the pledges receivable. An allowance for uncollectible pledges receivable has also been established based upon management's judgment including such factors as prior collection history, type of contribution, credit standing of applicable donors and nature of the fundraising activity.

(6) <u>Investments</u>

Investments are recorded at fair value and consisted of the following at December 31, 2017 and 2016:

	2017		<u>2016</u>
Money market funds	\$ 60,145	\$	93,887
Bond funds	447,386		453,711
Equity mutual funds	1,355,029		887,024
Other mutual funds	 261,147	-	512,293
	\$ 2,123,707	\$	1,946,915

The following schedule summarizes the investment income for 2017 and 2016:

	2017		<u>2016</u>
Interest and dividend income	\$ 100,998	\$	99,148
Investment expenses	(19,227)		(17,793)
Realized losses on investments	(73)		(12,127)
Unrealized gains (losses) on investments	 211,449	-	73,671
	\$ 293,147	\$	142,899

Notes to the Financial Statements

December 31, 2017 and 2016

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Organization.

(7) Fair value measurements

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of money market funds, bond funds and mutual funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. The Organization has no assets or liabilities measured at fair value using Level 2 inputs.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Organization has no assets or liabilities measured at fair value using Level 3 inputs.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The only assets of the Organization reported at fair value are investments, which are all considered Level 1 within the fair value hierarchy.

Notes to the Financial Statements

December 31, 2017 and 2016

(8) Investment in joint venture

During 2015, the Organization entered into a participation agreement with Music City Kidney Care Alliance, LLC and paid \$1,000 in cash for a 1% ownership interest. No distributions were made from the joint venture during 2017 or 2016.

(9) Funds with Community Foundation of Middle Tennessee

The Organization has an agency endowment fund with the Community Foundation of Middle Tennessee (the "Community Foundation"). Earnings on this fund are designated for general operations and programs of the Organization. Total funds held by the Community Foundation, which are excluded from the assets of the Organization, amounted to \$109,292 and \$99,840 at December 31, 2017 and 2016, respectively. The Organization receives a 5% distribution annually from the fund.

The Organization also has an endowment fund with the Community Foundation. Total funds held by the Community Foundation, which are excluded from the assets of the Organization, amounted to \$381,019 and \$353,842 at December 31, 2017 and 2016, respectively. The Organization receives a 4% to 6% distribution annually from the fund.

During 2017, the Organization established an employee assistance fund with the Community Foundation in 2017. Earnings on this fund are designated for emergency financial support to employees of the Organization. Total funds held by the Community Foundation, which are excluded from the assets of the Organization, amounted to \$11,504 at December 31, 2017.

(10) Property and equipment

Property and equipment at December 31, 2017 and 2016 consisted of the following:

	2017	<u>2016</u>
Land and improvements	\$ 7,020,255	\$ 4,871,345
Buildings and improvements	19,897,967	11,654,906
Office furniture and equipment	5,043,512	3,871,742
Construction in progress	49,357	2,917,843
Total	32,011,091	23,315,836
Accumulated depreciation	(9,593,601)	(8,882,451)
Property and equipment, net	\$ <u>22,417,490</u>	\$ <u>14,433,385</u>

Notes to the Financial Statements

December 31, 2017 and 2016

Depreciation expense for the years ended December 31, 2017 and 2016 was \$801,010 and \$551,986, respectively.

Construction in progress at December 31, 2017 relates to landscaping for the inpatient facility in Murfreesboro, Tennessee, county expansion costs, and various other minor projects. All projects are expected to be complete in 2018, with an estimated cost to complete of approximately \$17,000. Construction in progress at December 31, 2016 related to construction of the inpatient facility in Murfreesboro, Tennessee, the buildout of two satellite offices and various other minor projects, which were all completed in 2017.

(11) Line of credit and long-term debt

The Organization maintains a \$2,500,000 line of credit with a financial institution which matures in July 2018. Interest only monthly payments are required and any outstanding principal amounts drawn against the line would be due at maturity. The line of credit is secured by property of the Organization and carries an interest rate of 0.75% above the financial institution's prime rate resulting in a rate of 5.00% at December 31, 2017. The Organization had no borrowings outstanding on the line of credit at December 31, 2017 or 2016.

In July 2016, the Organization obtained a construction note with a financial institution. The note allowed the Organization to borrow up to \$6,000,000 to help fund the construction of The Residence at Alive Hospice - Murfreesboro. The construction was completed in May 2017 and the first patient was admitted in June 2017. Interest only payments are required through July 2019. Beginning in August 2019, fixed monthly principal and interest payments are required based on a 15 year amortization. Through July 2019, the note is secured by the Organization's pledges. If the note as not been repaid by July 2019, the Organization will execute a deed of trust in favor of the financial institution as collateral so that the ratio of the outstanding principal balance of the note to the current appraised value of the property is less than or equal to 0.80 to 1.00. The note matures in July 2021 and bears interest at an amount equal to the LIBOR rate plus 1.85% (3.55% at December 31, 2017). The Organization owed \$3,079,465 at December 31, 2017.

In October 2017, the Organization obtained a \$1,600,000 promissory note with a financial institution to help fund a real estate purchase. The promissory note accrues interest at a fixed rate of 3.95%, payable in monthly payments of principal and interest in the amount of \$9,654 until maturity on October 6, 2022. The Company owed \$1,591,388 under this note at December 31, 2017. The promissory note is secured by the real estate.

The provisions of the promissory note require the maintenance of certain financial ratios on a quarterly basis.

Notes to the Financial Statements

December 31, 2017 and 2016

A summary of future maturities of long-term debt as of December 31, 2017 is as follows:

<u>Year</u>	<u>Amount</u>	
2018	\$	53,960
2019		141,671
2020		263,686
2021		2,849,364
2022		1,362,172
	\$	4,670,853

(12) Temporarily restricted net assets

Temporarily restricted net assets are either donor-restricted for specific purposes or for use in a specified period of time. At December 31, 2017 and 2016, the restricted purposes are as follows:

		2017		<u>2016</u>
Endowment	\$	627,304	\$	534,722
Pledges		6,154,028		5,592,637
Other	-	603,339		1,176,675
	\$	7,384,671	\$_	7,304,034

Temporarily restricted net assets were released from restriction for the years ended December 31, 2017 and 2016 for the following purposes:

	2017		<u>2016</u>
Endowment	\$ 62,601	\$	ž.
Pledges	14,409		38,575
Other	 537,210	-	479,908
	\$ 614,220	\$	518,483

Notes to the Financial Statements

December 31, 2017 and 2016

(13) Lease commitments

The Organization leases various office space, vehicles, and equipment under operating leases. Rent expense under these leases amounted to \$704,457 and \$719,200 in 2017 and 2016, respectively. A summary of approximate future minimum payments under these operating leases as of December 31, 2017 is as follows:

<u>Year</u>	<u>Aı</u>	nount
2018	\$	550,000
2019		399,000
2020		94,000
2021		92,000
2022	-	38,000
	\$1	,173,000

During 2017, the Organization entered into two lease agreements in which the landlord provided funds to the Organization to complete certain improvements to the leased premises. The Organization has recorded a liability for these funds and is amortizing the balance over the shorter of the life of the lease or the life of the asset. Total obligations amounted to approximately \$188,000 at December 31, 2017, of which approximately \$42,000 is included in accrued expenses and other liabilities and \$146,000 in other long-term liabilities in the accompanying statement of financial position.

(14) Retirement plan

The Organization sponsors a defined contribution 403(b) retirement plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under ERISA. The plan also provides for discretionary contributions by the Organization. Participants are immediately vested in their voluntary contributions plus related earnings; whereas, participants are fully vested in the Organization contributions plus related earnings after four years of service. The Organization made contributions of \$186,220 and \$134,313 to the plan in 2017 and 2016, respectively.

(15) Functional expenses

Expenses by functional classification for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>		<u>2016</u>
Program services	\$ 24,111,897	\$	21,761,180
General and administrative	6,289,382		6,014,358
Fundraising	649,759	-	653,492
	\$31,051,038	\$_	28,429,030

Notes to the Financial Statements

December 31, 2017 and 2016

(16) Alive Institute

The Alive Institute is an initiative launched by the Organization to promote excellence and advance the field of hospice and palliative care. Through the Institute, the Organization shares its considerable gifts with the healthcare community and the community-at-large through education, research and advocacy with an initial focus on education and training. The Organization received contributions of approximately \$76,000 and \$163,000 for the years ended December 31, 2017 and 2016 to help fund this initiative.

(17) Endowment

<u>Overview</u>: The Organization's endowments consist of one fund that holds investments in securities traded on the public market. The endowments are made up of temporarily restricted and permanently restricted assets. As required by GAAP, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The Organization's Board of Directors has determined the requirements of Tennessee's version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to center around the preservation of the fair value of the original investment as of the date of the asset transfers. Investments resulting from donations directing that they be invested in perpetuity are classified as permanently restricted. The earnings generated by these investments are classified as unrestricted or temporarily restricted depending on the donors' stipulations. The temporarily restricted net assets are reclassified as unrestricted upon their appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Tennessee's version of UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate its endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk.

Notes to the Financial Statements

December 31, 2017 and 2016

<u>Strategies Employed for Achieving Objectives</u>: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

<u>Spending Policy and How the Investment Objectives Relate to Spending Policy</u>: The Organization disburses funds as needed within the guidelines of the endowments. Disbursements to the Organization are used to assist with its programs and services according to donor restrictions.

<u>Fund with Deficiencies</u>: From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Cumulative deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2017 and 2016.

<u>Endowment Net Asset Composition by Type of Fund</u>: The Organization's composition of endowment assets for the years ended December 31, 2017 and 2016 is as follows:

2017	Unrestricted	Temporarily Restricted	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted	\$	\$ 627,304	\$ <u>1,185,189</u>	\$ <u>1,812,493</u>
2016	<u>Unrestricted</u>	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$	\$534,722	\$1,180,189	\$1,714,911

Changes in endowment net assets for the years ended December 31, 2017 and 2016 are as follows:

	<u>Unr</u>	estricted		mporarily <u>estricted</u>		ermanently Restricted		<u>Total</u>
Balance at December 31, 2015	\$	_	\$	474,175	\$	1,175,123	\$	1,649,298
Interest and dividends		-		20,656		•		20,656
Net gains		2		39,891		# = 3		39,891
Contributions	-		-	-	-	5,066	-	5,066
Balance at December 31, 2016		-		534,722		1,180,189		1,714,911
Interest and dividends				18,255		•		18,255
Net gains		4		136,928		9₩		136,928
Contributions		<i>a</i> .				5,000		5,000
Withdrawals	-		_	(62,601)	-		-	(62,601)
Balance at December 31, 2017	\$		\$	627,304	\$_	1,185,189	\$_	1,812,493

Notes to the Financial Statements

December 31, 2017 and 2016

(18) Related party transactions

At December 31, 2017 and 2016, the Organization had pledges receivable of \$220,000 and \$296,000, respectively, due from related parties.

(19) Contingencies

Healthcare industry

The delivery of personal and healthcare services entails an inherent risk of liability. Participants in the healthcare services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The Organization is insured with respect to medical malpractice risk on a claims-made basis. The policy includes an individual medical incident limit of \$1,000,000 and an aggregate limit of \$3,000,000 annually. The Organization also maintains insurance for general liability, director and officer liability and property. Certain policies are subject to deductibles. Management is not aware of any claims against the Organization which would have a material financial impact.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management continues to implement policies, procedures, and compliance overview organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability Act of 1996 and other government statues and regulations. The Organization's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions which are unknown or unasserted at this time. Management believes that the Organization is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Notes to the Financial Statements

December 31, 2017 and 2016

Healthcare reform

The healthcare industry in the United States is subject to fundamental changes due to ongoing healthcare reform efforts and related political, economic and regulatory influences. Notably, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act") resulted in expanded healthcare coverage to millions of previously uninsured people beginning in 2014 and has resulted in significant changes to the U.S. healthcare system. To help fund this expansion, the Affordable Care Act outlines certain reductions in Medicare reimbursements for various healthcare providers as well as certain other changes to Medicare payment methodologies. This comprehensive healthcare legislation has resulted and will continue to result in extensive rulemaking by regulatory authorities, and also may be altered, amended, repealed, or replaced.

It is difficult to predict the full impact of the Affordable Care Act due to the complexity of the law and implementing regulations, as well the Organization's inability to foresee how CMS and other participants in the healthcare industry will respond to the choices available to them under the law. The Organization also cannot accurately predict whether any new or pending legislative proposals will be adopted or, if adopted, what effect, if any, these proposals would have on the Organization's business. Similarly, while the Organization can anticipate that some of the rulemaking that will be promulgated by regulatory authorities will affect the Organization's business and the manner in which the Organization is reimbursed by the federal healthcare programs, the Organization cannot accurately predict today the impact of those regulations on the Organization's business. The provisions of the legislation and other regulations implementing the provisions of the Affordable Care Act or any amended or replacement legislation may increase costs, decrease revenues, expose the Organization to expanded liability or require the Organization to revise the ways in which it conducts business.

Litigation

There is an ongoing legal proceeding against the Organization related to a former employee. In the opinion of management, the financial impact of this claim is not reasonably estimable at this time.

The Organization is subject to legal proceedings and claims that arise in the ordinary course of business. However, management believes the amount of potential liability with respect to these actions will not have a material impact on the Organization's financial position, results of operations or cash flows.

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TDOH and Joint Commission Findings and Corrections



June 27, 2017

Administrator
Residence at Alive Hospice Murfreesboro
1629 Williams Drive
Murfreesboro TN 37129

RE: Initial Licensure Survey
Branch Location

Dear Administrator:

We are pleased to inform you that no deficiencies were cited as a result of the initial licensure survey conducted at your facility on June 19, 2017. The enclosed survey (Form 2567) is for your records.

Thank you for your cooperation during this survey. Should you have any questions or if there is any way this office may be of assistance, please do not hesitate to call.

Sincerely,

athy Zepler, RN

Public Health Nurse Consultant 2

KZ/rm

Enclosure

STATEMEN	of Health Care Fac T OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNPL59210		CONSTRUCTION		SURVEY PLETED
NAME OF C	PROVIDER OR SUPPLIER		DDRESS, CITY, S	TATE, ZIP CODE		
	ICE AT ALIVE HOSPI	CE MINDEDEESD, 1629 WI	LLIAMS DRIVE EESBORO, TN	371 29		
(X4) ID PREFIX TAG	FACH DEFICIENC	ATEMENT OF DEFICIENCIES Y MUST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	PREFIX TAG	PROVIDER'S PLAN OF C (EACH CORRECTIVE ACTIV CROSS-REFERENCED TO THE DEFICIENCY	ON SHOULD BE HE APPROPRIATE	COMPLETE DATE
R 001	1200-8-15 Initial.		R 001			
	This Rule Is not m					
	Residential Hospic	es with the Standards for es reviewed during the initial anducted on 6/19/17.				
0						
		×				
Division of h	tealth Care Facilities	IDER/SUPPLIER REPRESENTATIVE'S S	BIGNATURE	TITLE		(X6) DATE

FORM



March 22, 2018

Anna-Gene O'Neal, RN, MSN, MBA President/CEO Alive Hospice, Inc. 1718 Patterson Street Nashville, TN 37203 Joint Commission ID #: 39029 Program: Home Care Accreditation Accreditation Activity: 60-day Evidence of Standards

Compliance

Accreditation Activity Completed: 3/22/2018

Dear Ms. O'Neal:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Home Care

This accreditation cycle is effective beginning June 10, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G.Pelletier, RN, MS Chief Operating Officer

Division of Accreditation and Certification Operations

Final Accreditation Report

Alive Hospice, Inc. 1718 Patterson Street Nashville, TN 37203

Unannounced Extension Event New Service: 1/19/2018 - 1/19/2018 Organization Identification Number: 39029

Program Surveyed Home Care

The Joint Commission Table of Contents

Executive Summary

What's Next - Follow-up Activity

Home Care

· SAFER™ Matrix

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Requirements for Improvement (RFI)

Appendix

- Standards/Elements of Performance (EP) Language
- Report Section Descriptions
- Clarification Instructions

The Joint Commission Executive Summary

Program	Survey Dates	Event Outcome	Follow-up Activity	Follow-up Time Frame or Submission Due Date
Home Care	01/19/2018 -	Requirements for	Clarification (Optional)	Submit within 10 Business Days from the final posted report date
16	01/19/2018	Improvement	Evidence of Standards Compliance (ESC)	Submit within 60 Calendar Days from the final posted report date

Organization Identification Number: 39029

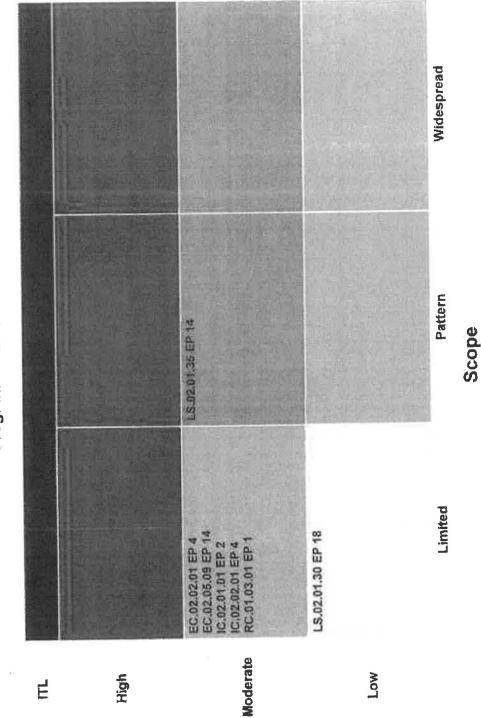
The Joint Commission What's Next - Follow-up Activity

Care
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Prog

Standard	g	SAFER™ Placement	Included in the Evidence of Standard Compliance (within 60 calendar days)
EC.02.02.01	4 1	Moderate / Limited	`
EC.02.05.09	4	Moderate / Limited	>
10.02.01.01	M	Moderate / Limited	>
IC.02.02.01	41	Moderate / Limited	>
LS.02.01.30	貿	Low / Limited	`
LS.02.01.35	4	Moderate / Pattern	`
RC.01.03.01	ન	Moderate / Limited	`

The Joint Commission SAFER™ Matrix

Program: Home Care



Likelihood to harm a Patient / Visitor / Staff

Final Report: Posted 4/24/2018

The Joint Commission Requirements for Improvement

Care
Home
Program:

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Standard	G G	SAFER TM Placement	EP Text	Observation
EC.02.02.01	41	Moderate	The organization implements its procedures in response to hazardous material and waste spills or exposures. (See also IC.02.01.01, EP 2)	1). Observed in Building Tour at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. The surveyor noted that caustic cleaners were in use in the kitchen; however the eye wash station was not functional as the valves had been removed from the faucet. This was confirmed with the director of compliance.
EC.02.05.09	41	Moderate	The hospice meets all other NFPA 99-2012: Health Care Facilities Code requirements related to gas and vacuum systems and gas equipment. (For full text, refer to NFPA 99-2012: Chapters 5 and 11) Note: For hospices providing inpatient care in their own facilities that elect to use The Joint Commission deemed status option. The organization meets the applicable provisions of the Health Care Facilities Code Tentative Interim Amendments (TIAs) 12-4 and 12-6.	1). Observed in Building Tour at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During the building tour, the surveyor noted that the back-up oxygen tanks stored in the equipment closet were not accessible as they were blocked by other equipment. This was corrected on-site and confirmed with the director of compliance.
10.02.01.01	N	Moderate	The organization uses standard precautions, * including the use of personal protective equipment, to reduce the risk of infection. (See also EC.02.02.01, EP 4) Note: Standard precautions are infection prevention and control measures to protect against possible exposure to infectious agents. These precautions are general and applicable to all patients. Footnote *: For further information regarding standard precautions, refer to the website of the Centers for Disease Control and Prevention (CDC) at http://www.cdc.gov/hai/ (Infection Control in Healthcare Settings).	1). Observed in Individual Tracer at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During observation of medication administration by the nurse, the surveyor noted that the nurse failed to follow infection control processes when she removed the needle cap from the syringe with her teeth before administering an intravenous saline flush. Also, the surveyor noted that the nurse failed to don personal protective equipment, including gloves before suctioning the patient. This was confirmed with the director of compliance.
10.02.02.01	41	Moderate	The organization implements infection prevention and control activities when doing the following: Storing medical equipment, devices, and supplies. (See also EQ.01.01.01, EP 9; EQ.01.05.01, EPs 1–5)	1). Observed in Individual Tracer at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During medication tracer activities, the surveyor noted that there was no evidence to confirm that the multi-use glucometer was cleaned according to manufacturer's guidelines. This was confirmed with the director of compliance.
			F)	 Observed in Individual Tracer at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During medication tracer activities, the surveyor noted that a multi-use normal vial, was not labelled with a last use date. It had

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Standard	8	SAFER™ Placement	EP Text	Observation
				been dated with the date it was opened instead. This was confirmed with the director of compliance.
LS.02.01.30	64	Limited	In existing buildings, at least two smoke compartments are provided for every story that has more than 30 patients in sleeping rooms. Smoke barriers have a minimum ½-hour fire resistance rating; the maximum size of each smoke compartment is limited to 22,500 square feet. Space shall be provided on each side of smoke barriers to adequately accommodate the total number of occupants in adjoining compartments. The travel distance from any point within the smoke compartment to a smoke barrier door is no more than 200 feet. (For full text, refer to NFPA 101-2012: 19.3.7.1; 19.3.7.5)	1). Observed in Building Tour at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site . During a building tour of the Murfeesboro inpatient unit, the surveyor noted that there were two unsealed penetrations in the IT closet. This was confirmed with the facilities manager and the director of compliance. This finding was observed during survey activity, but corrected onsite prior to the surveyor's departure. The corrective action taken needs to be included in the organization's Evidence of Standards Compliance submission
15.02.01.35	4	Moderate Pattern	The organization meets all other Life Safety Code automatic extinguishing requirements related to NFPA 101-2012: 18/19.3.5.	1). Observed in Building Tour at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During a building tour of the Murfeesboro inpatient unit, the surveyor noted that the HVAC system was obstructing two sprinkler heads in the mechanical closet. The surveyor discussed the Life Safety deficiency with the organization, and it was determined that the following ILSMs will be implemented until the deficiency has been resolved and according to the organization's ILSM policy: Increase surveillance(EP-8)
				2). Observed in Building Tour at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. In 2 of 5 hanging light fixtures near sprinkler heads, During a building tour of the Murfreesboro inpatient unit, the surveyor noted that two sprinkler heads in the corridors were obstructed by a lamp shade installed within 12 inches of the sprinkler. This was confirmed with the facilities manager and the director of compliance. The surveyor discussed the Life Safety deficiency with the organization, and it was determined that the following ILSMs will be implemented until the deficiency has been resolved and according to the organization's ILSM policy: Increase surveillance(EP-8)
RC.01.03.01	7-1	Moderate Limited	The organization defines in writing the time frames for documenting entries into the patient record. (See also PC.01.02.03, EP 1)	1). Observed in Individual Tracer at The Residence at Alive Hospice - Murfreesboro (1629 Williams Drive, Murfreesboro, TN) site. During the medication tracer activity, the surveyor noted that the nurse reported that she had not documented the administration of morning medication as of noon. The surveyor confirmed that the organization did not have a policy that defined timeframes for documenting medication administration. This was confirmed with the director of compliance.

The Joint Commission Appendix Standard and EP Text

Program: Home Care

Standard	品	Standard Text	EP Text
EC.02.02.01	4	The organization manages risks related to hazardous materials and waste.	The organization implements its procedures in response to hazardous material and waste spills or exposures. (See also IC.02.01.01, EP 2)
EC.02,05.09	4	The hospice inspects, tests, and maintains medical gas and vacuum systems. Note: This standard does not require hospices to have the medical gas and vacuum systems discussed below. However, if a hospice has these types of systems, then the following inspection, testing, and maintenance requirements apply.	The hospice meets all other NFPA 99-2012: Health Care Facilities Code requirements related to gas and vacuum systems and gas equipment. (For full text, refer to NFPA 99-2012: Chapters 5 and 11) Note: For hospices providing inpatient care in their own facilities that elect to use The Joint Commission deemed status option: The organization meets the applicable provisions of the Health Care Facilities Code Tentative Interim Amendments (TIAs) 12-4 and 12-6.
IC.02.01.01	N	The organization implements the infection prevention and control activities it has planned.	The organization uses standard precautions, * including the use of personal protective equipment, to reduce the risk of infection. (See also EC.02.02.01, EP 4) Note: Standard precautions are infection prevention and control measures to protect against possible exposure to infectious agents. These precautions are general and applicable to all patients. Footnote *: For further information regarding standard precautions, refer to the website of the Centers for Disease Control and Prevention (CDC) at http://www.cdc.gov/hai/ (Infection Control in Healthcare Settlings).
IC.02.02.01	4	The organization reduces the risk of infections associated with medical equipment, devices, and supplies.	The organization implements infection prevention and control activities when doing the following: Storing medical equipment, devices, and supplies. (See also EQ.01.01.01, EP 9; EQ.01.05.01, EPs 1–5)
LS.02.01.30	<u>ω</u>	The organization provides and maintains building features to protect individuals from the hazards of fire and smoke. Note: The elements of performance of this standard apply only to the space in which the hospice unit is located; all exits from the unit to the outside at grade level; and any Life Safety Code building systems that support the unit (for example, fire alarm system, automatic sprinkler system).	In existing buildings, at least two smoke compartments are provided for every story that has more than 30 patients in sleeping rooms. Smoke barriers have a minimum ½-hour fire resistance rating; the maximum size of each smoke compartment is limited to 22,500 square feet. Space shall be provided on each side of smoke barriers to adequately accommodate the total number of occupants in adjoining compartments. The travel distance from any point within the smoke compartment to a smoke barrier door is no more than 200 feet. (For full text, refer to NFPA 101-2012: 19.3.7.1; 19.3.7.3; 19.3.7.5)
LS.02.01.35	4	The organization provides and maintains systems for extinguishing fires. Note: The elements of performance of this standard apply only to the space in which the hospice unit is located; all exits from the unit to the	The organization meets all other Life Safety Code automatic extinguishing requirements related to NFPA 101-2012: 18/19.3.5.

EP Text		The organization defines in writing the time frames for documenting entries into the patient record. (See also PC.01.02.03, EP 1)
EP Standard Text	outside at grade level; and any Life Safety Code building systems that support the unit (for example, fire alarm system, automatic sprinkler system).	Documentation in the patient record is entered in a timely manner.
EP		-
Standard		RC.01.03.01

The Joint Commission Appendix

Report Section Information

SAFERTM Matrix Description

All Requirements for Improvement (RFIs) are plotted on the SAFER matrix according to the likelihood the issue could cause harm to patient(s), staff, and/or visitor(s), and the scope at which the RFI is observed. Combined, these characteristics identify a risk level for each RFI, which in turn will determine the level of required post-survey follow up. As the risk level of an RFI increases, the placement of the standard and Element of Performance moves from the bottom left corner to the upper right. The definitions for the Likelihood to Harm a Patient/Staff/Visitor and Scope are as follows:

Likelihood to Harm a Patient/Staff/Visitor:

- Low; harm could happen, but would be rare
 - Moderate: harm could happen occasionally
 - High; harm could happen any time

Scope:

- Limited: unique occurrence that is not representative of routine/regular practice
- Pattern: multiple occurrences with potential to impact few/some patients, staff, visitors and/or settings
- Widespread: multiple occurrences with potential to impact most/all patients, staff, visitors and/or seftings

organization will provide a more detailed description of Leadership Involvement and Preventive Analysis to assist in sustainment of the compliance plan. Additionally, these higher risk findings will be provided to surveyors for possible review or onsite validation during any subsequent onsite surveys, up until the next full triennial survey occurs. The below The Evidence of Standards Compliance (ESC) or Plan of Correction (POC) forms with findings of a higher risk will require two additional fields within the ESC or POC. The legend illustrates the follow-up activity associated with each level of risk.

SAFER** Matrix Placement	Required Follow-Up Activity
	Two additional areas surrounding Leadership Involvement and Preventive Analysis will be included in the ESC or POC Finding will be highlighted for potential review by surveyors on subsequent
WODE-CHEPSTERN WODE-CHEPSTERN	onsite surveys up to and including the next full survey or review
MODERATE LIMITED LOWINGESPREAD	• ESC or POC will not include Leadership Involvement and Preventive Analysis
LOW/LIMITED	

The Joint Commission Appendix

Report Section Information

Requirements for Improvement Description

Observations noted within the Requirements for Improvement (RFI) section require follow-up through the Evidence of Standards Compliance (ESC) process. The identified timeframes for submission for each observation are found in the Executive Summary section of the Final Report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame to perform the unannounced follow-up visit is dependent on the scope and severity of the issue identified within Requirements for Improvement.

Report Section Information Appendix

Clarification Instructions

Documents not available at the time of survey

Any required documents that are not available at the time of survey will no longer be eligible for the clarification process. These RFIs will become action items in the post-survey ESC process.

Clerical Errors
Clerical errors in the report will no longer be eligible for the clarification process. The Joint Commission will work with the organization to correct the clerical error, so that the report is accurate. The corrected RFIs will become action items in the post-survey process.

Audit Option

There will no longer be an audit option as part of the clarification process. With the implementation of the SAFER™ matrix, the "C" Element of Performance (EP) category is eliminated. The "C" EPs were the subject of Clarification Audits. The clarification process provides an organization the opportunity to demonstrate compliance with standards that were scored "not compliant" at the time of the survey. The organization has 10 business days from the date the report is published on the extranet site to submit the clarification. The Evidence of Standards Compliance (ESC) due dates will remain the same whether or not the organization submits a clarification and/or is successful in the clarification process.

Clarifications may take either of the following forms:

- An organization believes it had adequate evidence available to the surveyor(s) and was in compliance at the time of the survey. (Please note that actions taken during or immediately after the survey will not be considered.) The organization must use the clarification form to support their contention.
- The organization has detailed evidence that was not immediately available at the time of the survey. The clarification must include an explanation as to documents that are not available at the time of survey are not eligible for the Clarification Process. These RFIs will become action items in the post-survey why the surveyor(s) did not have access to the information or why it was not provided to the surveyor(s) at the time of the survey. However, any required
- Please do not submit supplemental documentation unless requested by The Joint Commission. If additional information is requested, the organization will be required to highlight the relevance to the standards in the documentation.



August 4, 2017

Anna-Gene O'Neal, RN, MSN, MBA President/CEO Alive Hospice, Inc. 1718 Patterson Street Nashville, TN 37203 Joint Commission ID #: 39029
Program: Home Care Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 08/04/2017

Dear Ms. O'Neal:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Home Care

This accreditation cycle is effective beginning June 10, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G.Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



Official Accreditation Report

Alive Hospice, Inc. 1718 Patterson Street Nashville, TN 37203

Organization Identification Number: 39029

Unannounced Full Event: 6/6/2017 - 6/8/2017

Report Contents

Executive Summary

Survey Analysis for Evaluating Risk (SAFER™)

All Requirements for Improvement (RFIs) are plotted on the SAFER matrix according to the likelihood the issue could cause harm to patient(s), staff, and/or visitor(s), and the scope at which the RFI is observed. Combined, these characteristics identify a risk level for each RFI, which in turn will determine the level of required post-survey follow up. As the risk level of an RFI increases, the placement of the standard and Element of Performance moves from the bottom left corner to the upper right.

Requirements for Improvement

Observations noted within the Requirements for Improvement (RFI) section require follow up through the Evidence of Standards Compliance (ESC) process (*Please note, if your survey event resulted in a Preliminary Denial of Accreditation status, other follow-up events may apply*). The identified timeframes of submission for each observation are found within the Requirements for Improvement Summary portion of the final onsite survey report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame for performing the unannounced follow-up visit is dependent on the scope and severity of the issues Identified within the Requirements for Improvement.

Executive Summary

Program(s)
Home Care Accreditation

Survey Date(s) 06/06/2017-06/09/2017

Home Care Accreditation:

As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission SAFER™ Matrix Description

All Requirements for Improvement (RFIs) are plotted on the SAFER matrix according to the likelihood the issue could cause harm to patient(s), staff, and/or visitor(s), and the scope at which the RFI is observed. Combined, these characteristics identify a risk level for each RFI, which in turn will determine the level of required post-survey follow up. As the risk level of an RFI increases, the placement of the standard and Element of Performance moves from the bottom left corner to the upper right. The definitions for the Likelihood to Harm a Patient/Staff/Visitor and Scope are as follows:

Likelihood to Harm a Patient/Staff/Visitor:

- Low: harm could happen, but would be rare
- Moderate: harm could happen occasionally
- High: harm could happen any time

Scope:

- Limited: unique occurrence that is not representative of routine/regular practice, and has the potential to impact only one or a very limited number of patients, visitors, staff
- Pattern: multiple occurrences of the deficiency, or a single occurrence that has the potential to impact more than a limited number of patients, visitors, staff
- Widespread: deficiency is pervasive in the facility, or represents systemic failure, or has the potential to impact most/all patients, visitors, staff

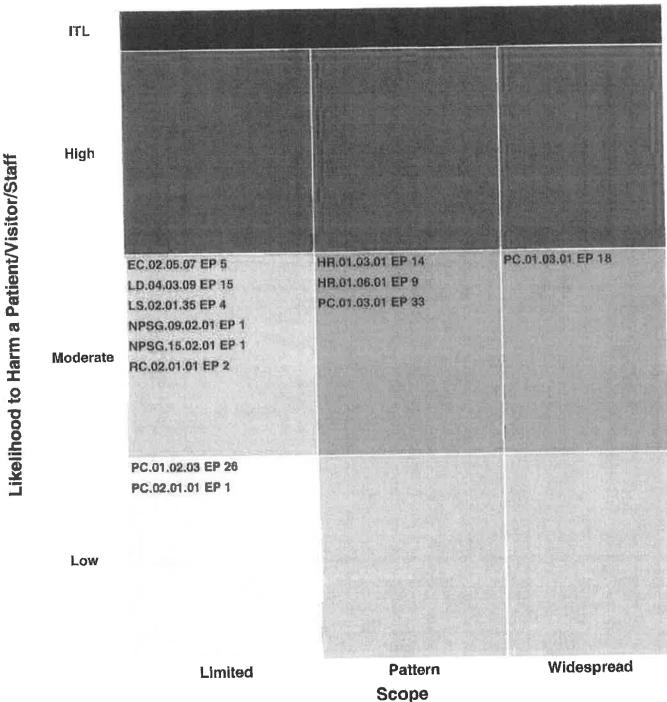
All Evidence of Standards Compliance (ESC) forms, which outline corrective actions, will be due in 60 days (*Please note, if your survey event resulted in a Preliminary Denial of Accreditation status, other follow-up events may apply*). For those findings of a higher risk, two additional fields will be required within the ESC for the organization to provide a more detailed description of leadership involvement and preventive analysis to assist in sustainment of the compliance plan. Additionally, these higher risk findings will be provided to surveyors for possible review or onsite validation during any subsequent onsite surveys, up until the next full triennial survey occurs. The below legend illustrates the follow-up activity associated with each level of risk.

SAFER Matrix Placement	Required Follow-Up Activity
MERSON WE MOVE FURNS MAN CHANGES WE	 60 day Evidence of Standards Compilance (ESC) Two additional areas surrounding Leadership Involvement and Preventive Analysis will be included in the ESC Finding will be highlighted for potential review by surveyors on subsequent onsite surveys up to and including the next full survey or review
MODERATE/PATTERN, MODERATE/WIDESPREAD	 60 day Evidence of Standards Compliance (ESC) Two additional areas surrounding Leadership Involvement and Preventive Analysis will be included in the ESC Finding will be highlighted for potential review by surveyors on subsequent onsite surveys up to and including the next full survey or review
MODERATE/LIMITED, LOW/PATTERN, LOW/WIDESPREAD	60 day Evidence of Standards Compliance (ESC)
LOW/LIMITED	60 day Evidence of Standards Compliance (ESC)

Note: If an immediate Threat to Health and Safety, also known as immediate Threat to Life (ITL), is discovered during a survey, the arganization immediately receives a preliminary denial of accreditation (PDA) and, within 72 hours, must either entirely eliminate that ITL or implement emergency interventions to abate the risk to patients (with a maximum of 23 days to totally eliminate the ITL). Please see the Accreditation Process Chapter within the Comprehensive Accreditation Manual for more information.

The Joint Commission SAFER Matrix

Home Care Accreditation Program



Requirements for Improvement – Summary

Observations noted within the Requirements for Improvement (RFI) section require follow up through the Evidence of Standards Compliance (ESC) process. The timeframe assigned for completion is due in 60 days. (Please note: If your survey event resulted in a Preliminary Denial of Accreditation status, your organization may need to submit a Plan Of Correction in 10 days or an ESC in 45 days.) The identified timeframes of submission for each observation are found within the Requirements for Improvement Summary portion of the final onsite survey report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame for performing the unannounced follow-up visit is dependent on the scope and severity of the issues identified within the Requirements for Improvement.

The Joint Commission Summary of CMS Findings

CoP:

§418.54

Tag: L520

Deficiency: Standard

Corresponds to: OME

Text:

§418.54 Condition of participation: Initial and comprehensive assessment of the

patient.

CoP Standard	Tag	Corresponds to	Deficiency
§418.54(b)	L523	OME - PC.01.02.03/EP26	Standard

CoP:

§418.100

Tag: L649

Deficiency: Standard

Corresponds to: OME

Text:

The hospice must organize, manage, and administer its resources to provide the hospice care and services to patients, caregivers and families necessary for the palllation and management of the terminal illness and related conditions.

CoP Standard	Tag	Corresponds to	Deficiency
§418.100(e)(1)	L655	OME - LD.04.03.09/EP15	Standard
§418.100(e)(3)	L655	OME - LD.04.03.09/EP15	Standard

Cop:

§418.110

Tag: L719

Deficiency: Standard

Corresponds to: OME

Text:

§418.110 Condition of Participation: Hospices that provide inpatient care directly.

CoP Standard	Tag	Corresponds to	Deficiency
§418.110(d)(1) (i)	L728	OME - LS.02.01.35/EP4	Standard

CoP:

§418.56

Tag: L538

Deficiency: Standard

Corresponds to: OME

Text:

The plan of care must specify the hospice care and services necessary to meet the patient and family-specific needs identified in the comprehensive assessment as such needs relate to the terminal illness and related conditions.

CoP Standard	Tag	Corresponds to	Deficiency
§418.56(c)(2)	L547	OME - PC.01.03.01/EP18	Standard
§418.56(e)(2)	L555	OME - PC.02.01.01/EP1	Standard

CoP:

§418.76

Tag: L607

Deficiency: Standard

Corresponds to: OME

Text:

§418.76 Condition of participation: Hospice aide and homemaker services.

CoP Standard	Tag	Corresponds to	Deficiency
§418.76(c)(1)	L615	OME - HR.01.06.01/EP9	Standard
§418.76(g)(1)	L625	OME - PC.01.03.01/EP33	Standard
§418.76(h)(1)(i)	L629	OME - HR.01.03.01/EP14	Standard

CoP:

§418.104

Tag: L670

Deficiency: Standard

The Joint Commission Summary of CMS Findings

Corresponds to: OME

Text:

§418.104 Condition of participation: Clinical records.

CoP Standard	Tag	Corresponds to	Deficiency
§418.104(a)(3)	L674	OME - RC.02.01.01/EP2	Standard

Requirements for Improvement - Detail

Chapter:

Environment of Care

Program:

Home Care Accreditation

Standard:

EC.02.05.07

Standard Text:

The organization inspects, tests, and maintains emergency power systems. Note: This standard does not require organizations to have the types of emergency power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection requirements apply.

Element(s) of Performance:

5. At least monthly, the organization tests each emergency generator under load for at least 30 continuous minutes. The cooldown period is not part of the 30 continuous minutes. The test results and completion dates are documented.

Likelihood to Cause Harm:

Moderate

Scope:

Limited

Observation(s):

EP 5

Observed in Document Review at (1710 Patterson Street, Nashville, TN) site.

During a review of Life Safety Code documentation, it was noted that the organization did not ensure the emergency generator was tested under load for at least 30 continuous minutes. For example, two of the five monthly tests during the year 2017 of the emergency generator under load were completed for 25 continuous minutes.

Chapter:

Human Resources

Program:

Home Care Accreditation

Standard:

HR.01.03.01

Standard Text:

Staff are supervised effectively.

Element(s) of Performance:

14. For home health agencies and hospices that elect to use The Joint Commission deemed status option: In order to assess the quality of care and services provided by the aide and to ensure that services ordered meet the patient's needs, the registered nurse supervises the home health aide or hospice aide during an on-site visit to the patient's home no less frequently than every two weeks for a home health aide or every 14 days for a hospice aide. If nursing services are not provided, a physical or occupational therapist or speech-language pathologist can supervise the home health aide or hospice aide.

Note: The aide does not need to be present during the supervisor's visit.

Likelihood to Cause Harm:

Moderate Pattern

Scope:

Observation(s):

EP 14 §418.76(h)(1)(i) - (L629) - (i) No less frequently than every 14 days to assess the quality of care and services provided by the hospice aide and to ensure that services ordered by the hospice interdisciplinary group meet the patient's needs. The hospice aide does not have to be present during this visit.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 3 of 12 patient records reviewed, that had hospice alde services it had been found that the supervision had not been performed every 14 days as required. For RR # 14 the aide supervision had been done on 5/10/17 and not again until 5/25/17. For RR # 15 the supervisory visit had been performed on 5/16/17 and not again until 5/31/17. For HV # 4 the aide supervisory visit had been done on 5/2/17 and not again until 5/17/17. These were validated by the Director of Clinical Care.

Chapter:

Human Resources

Program:

Home Care Accreditation

Standard:

HR.01.06.01

Standard Text:

Staff are competent to perform their responsibilities.

Element(s) of Performance:

- 9. For home health agencies and hospices that elect to use The Joint Commission deemed status option: The supervisor evaluates the following subject areas after observation of a home health aide's or hospice aide's performance of the tasks with a patient:
- Appropriate and safe techniques in personal hygiene and grooming that include bed, sponge, tub, or shower bath; sink, tub, or bed shampoo; nail and skin care; oral hygiene; tolleting and elimination
- Safe transfer techniques and ambulation
- Normal range of motion and positioning

Likelihood to Cause Harm:

Moderate

Scope:

Pattern

Observation(s):

EP 9

§418.76(c)(1) - (L615) - (1) The competency evaluation must address each of the subjects listed in paragraph (b)(3) of this section. Subject areas specified under paragraphs (b)(3)(i), (b)(3)(iii), (b)(3)(ix), (b)(3)(x) and (b)(3)(xi) of this section must be evaluated by observing an aide's performance of the task with a patient. The remaining subject areas may be evaluated through written examination, oral examination, or after observation of a hospice aide with a patient

This Standard is NOT MET as evidenced by:

Observed in HR File Review at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 2 of 4 HR files reviewed, of hospice aides it had been found that an observed skills competency with a patient had not been assessed initially. For the aide hired 4/2016 and the aide hired 8/2016 the initial observed skills competency documentation had not contained the competency for ROM. Leadership reported it had been done in a lab setting but the observed skills competency form (with a patient)had not contained this skill. There was no further observed skills competency for ROM found in the file. This was validated by the Regulatory Compliance Director. HR # 4 and HR # 6

Chapter:

Leadership

Program:

Home Care Accreditation

Standard:

LD.04.03.09

Standard Text:

Care, treatment, or services provided through contractual agreement are provided

safely and effectively.

Element(s) of Performance:

- 15. For hospices that elect to use The Joint Commission deemed status option: The written agreement with an outside agency providing contracted services for the hospice includes the following:
- Identification of the services to be provided
- A stipulation that services may be provided only with the authorization of the hospice
- A stipulation that services will be delivered in accordance with the patient's plan of care
- The manner in which contracted services will be coordinated, supervised, and evaluated by the hospice
- The delineation of the role of the hospice and contractor in the admission process, patient/family assessment, and the interdisciplinary group conferences
- Requirements for documenting that services are furnished in accordance with the agreement
- The qualifications of the individuals providing the services
- A stipulation that the outside agency will complete criminal background checks on contracted employees who provide direct patient care or have access to patient records

Likelihood to Cause Harm:

Moderate Limited

Scope:

Observation(s):

FP 15

§418.100(e)(3) - (L655) - (3) Delivered in accordance with the patient's plan of care.

This Standard is NOT MET as evidenced by:

§418.100(e)(1) - (L655) - (1) Authorized by the hospice;

This Standard is NOT MET as evidenced by:

Observed in Document Review at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service.

In 1 of 3 contracts reviewed, it had been identified that the written agreement for Physical Therapy Services had not addressed, in writing, a stipulation that service would be delivered in accordance with the patient's plan of care. This was validated by the Regulatory Compliance Director.

Observed in Document Review at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service.

In 1 of 3 contracts reviewed, it had been identified that the written agreement for Physical Therapy Services had not addressed, in writing, a stipulation that services would only be provided with the authorization of the hospice. Additionally, the contract had not addressed, in writing, 1) the manner in which the contracted services would be coordinated, supervised, and evaluated by the hospice 2) the delineation of the role of the hospice and the contractor in the admission process, patient family assessment, and the IDG conferences, and 3) requirements for documentation that services would be furnished in accordance with the agreement. This was validated by the regulatory compliance Director.

Chapter:

Life Safety

Program:

Home Care Accreditation

Standard:

LS.02.01.35

Standard Text:

The organization provides and maintains systems for extinguishing fires.

Note: The elements of performance of this standard apply only to the space in which the hospice unit is located; all exits from the unit to the outside at grade level; and any Life Safety Code building systems that support the unit (for example, fire alarm system, automatic sprinkler system).

Element(s) of Performance:

 Piping for approved automatic sprinkler systems is not used to support any other item. (For full text, refer to NFPA 25-2011: 5.2.2.2)

Likelihood to Cause Harm:

Moderate

Scope:

Limited

Observation(s):

EP 4

§418.110(d)(1)(i) - (L728) - (i) The hospice must meet the applicable provisions and must proceed in accordance with the Life Safety Code (NFPA 101 and Tentative Interim Amendments TIA 12–1, TIA 12–2, TIA 12–3, and TIA 12–4.)

This Standard is NOT MET as evidenced by:

Observed in Building Tour at (1710 Patterson Street, Nashville, TN) site for the Hospice deemed service. The organization did not ensure that piping for approved automatic sprinkler systems was not used to support any other item. For example, during the hospice inpatient facility tour [Administrative Hall #1] an automatic sprinkler pipe was used to support data information cables.

This finding was observed during survey activity, but corrected onsite prior to the surveyor's departure. The corrective action taken needs to be included in the organization's Evidence of Standards Compliance submission

Chapter:

National Patient Safety Goals

Program:

Home Care Accreditation

Standard:

NPSG.09.02.01

Standard Text:

Reduce the risk of falls.

Element(s) of Performance:

1. Assess the patient's risk for falls.

Likelihood to Cause Harm:

Moderate

Scope:

Limited

Observation(s):

Observed in Record Review at (1718 Patterson Street, Nashville, TN) site. In the review of 1 of 20 medical records it was noted that the organization did not ensure that its process for patient fall risk assessment was implemented. For example, a review of the medical record for RR#4 revealed that during the recertification assessment for the 3rd hospice benefit period the clinician did not complete a falls risk assessment.

Chapter:

National Patient Safety Goals

Program:

Home Care Accreditation

Standard:

NPSG.15.02.01

Standard Text:

Identify risks associated with home oxygen therapy such as home fires.

Element(s) of Performance:

- 1. Conduct a home oxygen safety risk assessment before starting oxygen therapy in the home and when home care services are initiated that addresses at least the following:
- Whether there are smoking materials in the home
- Whether or not the home has functioning smoke detectors Note: Home care staff may ask the patient and family whether smoke detectors are functioning or may test the smoke detectors if they are accessible. However, testing smoke detectors is not required.

- Whether there are other fire safety risks in the home, such as the potential for open flames

Document the performance of the risk assessment. (For more information on coordination among different providers of care, refer to PC.02.02.01, EPs 1 and 10, and PC.02.03.01, EP 5.)

Likelihood to Cause Harm:

Moderate

Scope:

Limited

Observation(s):

EP 1

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site. The organization did not ensure that its process for home oxygen safety risk assessments was implemented. For RR#3, it was noted that the home oxygen safety risk assessment did not address: 1) Whether or not the home has functioning smoke detectors, and 2) Whether there are other fire risks in the home. This was validated by the Director of Clinical Care.

Chapter:

Provision of Care, Treatment, and Services

Program:

Home Care Accreditation

Standard:

PC.01.02.03

Standard Text:

The organization assesses and reassesses the patient and his or her condition according to defined time frames.

Element(s) of Performance:

26. For hospices that elect to use The Joint Commission deemed status option: The hospice's interdisciplinary group, in consultation with the patient's attending physician, if any, completes the comprehensive assessment no later than five calendar days after the election of hospice care.

Likelihood to Cause Harm:

Low

Scope:

Limited

Observation(s):

EP 26

§418.54(b) - (L523) - §418.54(b) Standard: Time frame for completion of the comprehensive assessment.

The hospice interdisciplinary group, in consultation with the individual's attending physician (if any), must complete the comprehensive assessment no later than 5 calendar days after the election of hospice care in accordance with 8418.24.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 2 of 20 patient records reviewed, it had been found that the organization did not ensure that initial assessments by members of the interdisciplinary group were completed within its defined time frames. For example, a review of the comprehensive assessment for HV#1 revealed that an initial bereavement risk assessment was not completed. Also, that a pre bereavement assessment had not been completed for RR # 15.This was validated by the Director of Clinical Care.

Chapter:

Provision of Care, Treatment, and Services

Program:

Home Care Accreditation

Standard:

PC.01.03.01

Standard Text:

The organization plans the patient's care.

Element(s) of Performance:

18. For hospices that elect to use The Joint Commission deemed status option: The plan of care includes all services needed for the palliation and management of the terminal illness and related conditions, including the following:

- Interventions to manage pain and symptoms

- A statement of the scope and frequency of the services necessary to meet the patient's and family's needs

- Measurable outcomes anticipated from implementing and coordinating the plan of care

- Medications and treatment necessary to meet the patient's

- Medical supplies and appliances necessary to meet the patient's needs

Likelihood to Cause Harm:

Moderate

Scope:

WideSpread

33. For hospices that elect to use The Joint Commission deemed status option: A registered nurse who is a member of the interdisciplinary group and is responsible for hospice aide supervision prepares written patient care instructions for the hospice aide.

Likelihood to Cause Harm:

Moderate

Scope:

Pattern

Observation(s):

EP 18

§418.56(c)(2) - (L547) - (2) A detailed statement of the scope and frequency of services necessary to meet the specific patient and family needs.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 9 of 12 patient records reviewed, that had received hospice aide services it had been found that a detailed statement of the scope and frequency of the services had not been identified for the patients. The hospice aide care plan/approval by IDG for HV # 3 had been " aide 2-3xwk x13 wks". The care plan/approval by IDG for RR # 9 had been " aide 1-2xwk starting 5/18/17". The care plan/ approval by IDG for RR # 10 had been 1-2 xwk x13 wks. The care plan /IDG approval for RR # 12 "aide 2-3xwk" for the recertification 5/8/17. The care plan/approval by IDG for RR # 13 had been 2-3wkx1wk, 4-5xwkx 10 wks. The care plan/approval by IDG for RR # 15 had been 1-2xwk x 13 weeks. Also , the hospice aide care plan for RR#1, and RR#2 revealed that the hospice aide visit frequency was not specific and was for hospice aide visits 2-3 times per week.

These was validated by the Director of Clinical Care, the Director and the Regulator Compliance Director.

Also, in 4 of 20 patient records reviewed it had been found that pulse oximetry had been provided. For RR #8 it had been found that pulse oximetry had been done on two different times by two different nurses. There was no IDG approval-orders for this. For HV #5 pulse oximetry had been performed on the admission visit 2 weeks ago. There was no IDG approval/orders for this. On review of record #4 and record #6 it had been found that pulse oximetry had been performed. There was on IDG approval/ orders for this. The above findings were validated by the Director of Clinical Care and Regulatory Compliance Director.

EP 33 §418.76(g)(1) - (L625) - (1) Hospice aldes are assigned to a specific patient by a registered nurse that is a member of the interdisciplinary group. Written patient care instructions for a hospice aide must be prepared by a registered nurse who is responsible for the supervision of a hospice aide as specified under paragraph (h) of this section. This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 4 of 12 patient records reviewed, who received hospice aide services it had been found that the nurse delegated written care plan had not been complete. For HV # 3 the aide care plan had identified, shampoo oral care, bath (no type defined) and shave. For HV # 4 the written hospice aide care plan had three choices for bath; bed, partial, shower, and skin care. For RR # 13 the written hospice aide care plan had 3 choices-bath-bed, partial, shower, and shower. For RR # 14 the written hospice aide care plan had been bath-partial, complete, tub. These were validated by the Director of Clinical Care and the Regulatory Compliance Director.

Chapter:

Provision of Care, Treatment, and Services

Program:

Home Care Accreditation

Standard:

PC.02.01.01

Standard Text:

The organization provides care, treatment, or services for each patient.

Element(s) of Performance:

1. The organization provides the patient with care, treatment, or services according to his or her individualized plan of care.

Likelihood to Cause Harm:

Low

Scope:

Limited

Observation(s):

EP 1

§418.56(e)(2) - (L555) - (2) Ensure that the care and services are provided in accordance with the plan of care. This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. In 1 of 12 patient records reviewed, who had received hospice aide services it had been found that the aide had not provided the services that had been delegated on the written aide care plan, The care plan had delegated - ambulate patient using assistive devices, however, on 6/2/17 this task had not been done, and the care plan delegated shampoo, however on 5/30 17 and 6/2/17 this had not been done. There were no communication notes or further explanation as to why these tasks had not been completed. HV # 5 This was validated by the Director at the Murfreeboro office.

Chapter:

Record of Care, Treatment, and Services

Program:

Home Care Accreditation

Standard:

RC.02.01.01

Standard Text:

The patient record contains information that reflects the patient's care, treatment, or

services.

Element(s) of Performance:

- 2. The patient record contains the following clinical information:
- Any medications administered, including dose
- Any activity restrictions
- Any changes in the patient's condition
- Any summaries of the patient's care, treatment, or services furnished to the patient's physician or licensed independent practitioner(s)
- The patient's medical history
- Any allergies or sensitivities
- Any adverse drug reactions
- The patient's functional status
- Any diet information or any dietary restrictions
- Diagnostic and therapeutic tests, procedures, and treatments, and their results
- Any specific notes on care, treatment, or services
- The patient's response to care, treatment, or services
- Any assessments relevant to care, treatment, or services
- Physician orders
- Any Information required by organization policy, in accordance with law and regulation
- A list of medications, including dose, frequency, and route of administration for prescription and nonprescription medications, herbal products, and home remedies that relate to the patient's care, treatment, or services
- The plan of care
- For DMEPOS suppliers serving Medicare beneficiaries: The DMEPOS prescription, any certificates of medical necessity (CMN), and pertinent documentation from the beneficiary's prescribing physician. (See also PC.01.02.01, EP 1; PC.01.03.01, EPs 1 and 23)

Note 1: For organizations that provide personal care and support services: The plan of care may be a part of the service agreement or service contract, a list of duties to be carried out by the personal care or support service staff, or another separate document.

Note 2: For organizations that provide personal care and support services: The patient record contains the documentation on the list noted above that applies to the care, treatment, or services provided by the personal care and support staff.

Likelihood to Cause Harm: Scope:

Moderate Limited

Observation(s):

EP 2

§418.104(a)(3) - (L674) - (3) Responses to medications, symptom management, treatments, and services. This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at (1718 Patterson Street, Nashville, TN) site for the Hospice deemed service. On review of the patient record HV # 3 it had been found that the visit documentation for the hospice aide was not found in the record for 10 dates from 5/10 to 6/5/17. There was no documentation of what tasks the aide had provided to the patient. The documentation just said " routine visit". This was validated by the Director of Clinical Care

Organization Identification Number: 39029

Proof of Publication



Your Source Public Notices

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Public Notices

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Public Notices

0002963151

RFP # 1126 Comprehensive Athletic Apparel & Equipment

Williamson County Schools is currently accepting proposals from qualified bidders interested in submitting a proposal for a Com-prehensive Athletic Apparel & Equipment Program. Proposals must be submitted in a sealed envelope, mailed or hand delivered must be submitted in a sealed envelope, mailed or hand delivered to WCS, Central Office, 1320 West Main Street, Suite 202, Franklin, TN 37064, Attn: Skip Decker. Faxed or emailed proposals will not be accepted. Any proposals received after the specified opening time will not be accepted. In the event WCS must reschedule a proposal opening date or time, the specifications obtained from the Purchasing Dept. shall reflect the actual date and time. Sealed proposals must be received by or before 10:30 a.m. Thursday, June 28, 2018 at which time they will be publicly opened. The RFP opening shall take place at the aforementioned address.

A pre-bid meeting will be held on Thursday, June 14, 2018 at 10:30 a.m. Although the pre-bid meeting is not mandatory, potential proposers are highly encouraged to attend. Specific instructions, specifications and other details of this comprehensive RFP program will be discussed at this meeting.

Please mark sealed bid envelopes "WCS-RFP # 1128 Comprehensive Athletic Apparel, & Equipment".

When you advertise merchandise in

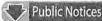
The Tennessean Classifieds,

for as little as \$1 per day, you'd better be ready to part with it. Call 242-SALE or place your ad online @ www.tennessean.com

Wanted: A car that won't leave you stranded. Find what you want in The Tennessean Classifieds.







0002968232

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Devel-Inis to provide attrictal notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that The Residence at Alive Hospice—Murfreesboro (a residential hospice), to be owned and managed by Alive Hospice, Inc. (a not-for-profit corporation), intends to file an application for a Certificate of Need to add six (6) residential beds to its existing residential hospice facility at 1629 Williams Drive, Murfreesboro, TN 37129, at an estimated cost of \$537,000 \$537,000.

The facility is currently licensed as a ten (10) bed Residential Hospice, by the Board for Licensing Health Care Facilities. This project will increase its license to sixteen (16) beds. The project does not contain major medical equipment or initiate or discontinue any health service; and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is on or before June 15, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Develop-ment Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at ar prior to the consideration of the application by the Agency

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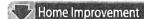


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MIKE'S

Miscellaneous Information Levels of Hospice Care and 2017 Medicare Reimbursement

LEVELS OF HOSPICE CARE DEFINED BY MEDICARE AND 2018 MEDICARE REIMBURSEMENT

Following is an overview of the levels of hospice care that a Medicare-certified hospice must be able to provide, under the Medicare Conditions of Participation.

Reimbursement rates vary by type of care, but also by county (for example, Davidson and Rutherford County's reimbursement rates are the same and are slightly higher than in some more rural areas). Physicians document the clinical conditions (e.g., 6 or fewer months to live) that entitle patients to receive these levels of service. All of these levels except Continuous Care (the last in the list) will be delivered in the project (Murfreesboro Residence). But as described below, Continuous Care is not different clinically from GIP services (which the Residence does provide), so for practical purposes all clinical types of hospice care--as opposed to Medicare categories--are now available in the Residence. The rates below are for Davidson and Rutherford Counties.

Routine or Residential Care—The majority of hospice care is "routine care", provided within a patient's "declared residence". A declared residence is a bed location that is legally identified as the patient's home for hospice purposes. Such beds are located in patients' own homes, in assisted-living facilities, in skilled nursing facilities, and in Residential Hospices. During routine care, Alive Hospice staff provide medications, equipment and treatments related to the patient's hospice diagnosis and included in the physician-approved plan of care.

Current Medicare Per Diem Reimbursement Rate:

Urban \$183.45 days 1-60; \$144.09 days 61+ Rural \$166.29 days 1-60; \$130.60 days 61+

General Inpatient Care (GIP)— This level of care can be provided in a hospital inpatient unit, a licensed Residential Hospice, or a skilled nursing facility. This is intensive inpatient hospice care that is intended to be short term if the patient's symptoms cannot be otherwise managed or if a higher level of treatment monitoring is required. Once the patient's symptoms are controlled, the patient will be re-assigned to the level of care and living situation that meets his/her needs.

Current Medicare Per Diem Reimbursement Rate:

Urban \$710.64 Rural \$648.36

Respite Care-Caregivers providing for patients at private homes often need the patient to be cared for at another location for a limited period of time. This provides a period of relief for family caregivers, and allows them time to be away from home for other purposes. AR-N and AR-M and other locations have the ability to provide respite care to hospice patients for periods not to exceed five consecutive days. Then the hospice patient returns to his or her personal residence.

Current Medicare Per Diem Reimbursement Rate: Urban \$166.20

Rural \$154.07

<u>Continuous Care</u>--Clinical criteria for this level of care are the same as those for GIP. It is intensive, and differs from GIP in only two ways. First, it is delivered not in a hospital or Residence, but rather in the patient's own private home, the goal being to manage acute symptoms without relocating the patient. Continuous care is intended to be short term and intensive during periods of crisis.

Current Medicare Per Diem Reimbursement Rate: Urban \$929.10 for 24 hours or \$38.71 per hour Rural \$42.16 for 24 hours or \$35.09 per hour

Service Intensity Add-On ("SIA") Payment--Effective for hospice services with dates of service on or after January 1, 2016, a hospice claim is eligible for end of life SIA payment if (a) the patient day is a routine level of care day, (b) the day occurs during the last seven days of life, (c) the service is provided by an RN or Social Worker that day for at least 15 minutes and up to 4 hours total, and not provided via telephone by a social worker. the SIA payment shall equal the number of hours (in 15-minute increments) of the service provided.

Current Medicare SIA Reimbursement Rate:

Urban \$38.71 Rural \$35.09 Support Letters

1535 Georgetown Lane Murfreesboro, TN 37129 June 4, 2018

To whom it may concern:

I write this letter to you as my husband lies dying at the Alive Hospice facility here in Murfreesboro. I got the call from his hospice nurse who had been visiting him at Creekside Assisted Living Memory Care, that because of problems that had arisen that day, she was strongly advising that he be moved to the Alive facility, as he had become extremely agitated and needed his medication closely managed. She said that there were no beds available here in Murfreesboro, so we were faced with traveling to Nashville. Thankfully for us, a bed opened at the Murfreesboro facility that afternoon.

The week this facility opened, my friend needed to go to the facility, but it was full and she was sent to Nashville where she soon died, but not before her family made many trips back and forth. With the projected growth of our county and the fact that surrounding counties use our facility, the necessity grows every day to increase the number of beds.

I can't say enough good things about this facility and the staff there. I haven't met one person who hasn't been kind and caring. If you have any doubts about whether there is a need for more beds, please ask yourself how you would like traveling back and forth to Nashville when someone you love is dying and you are mentally and physically exhausted. Thank you for your consideration.

Sincerely,

Joyce Taylor



June 4, 2018

Health Services and Development Agency Frost Building, Third Floor 161 Rosa L Parks Blvd Nashville, TN 37423 Melanie Hill, Executive Director

RE: The Residence at Alive Hospice Murfreesboro Expansion "TRAHM- E"
Application number pending

Dear Ms. Hill:

This is a letter of support for Alive Hospice (Alive) to complete the buildout of the Residence in Murfreesboro, Tennessee from 10 beds as originally licensed to the 16 beds as originally constructed but not completed.

As the Chief Executive Officer of Murfreesboro Medical Clinic, PA (MMC) and a member of the Alive Hospice Advisory Board, I have witnessed the current facility's tremendous impact on our community. This facility allows the MMC and other community physicians to present an inpatient option for patients and their families during stressful and painful end of life situations.

After opening in June 2017, the Murfreesboro Residence substantially exceeded any and all expectations based upon historical utilization numbers from similar facilities. Its occupancy numbers over the last year demonstrate remarkable utilization and support from the community. They also reflect the need for additional beds to meet the heretofore unexpected demand for these services that the Murfreesboro Residence provides!

Personally, I experienced the wonderful role that hospice care provided when I lost both of my parents. While their care was rendered in their home, not everyone has the ability to allow loved ones to gently pass in their home. Therefore, it is truly a blessing for physicians and other healthcare providers to have an option like the Murfreesboro Facility to recommend to their patients during those difficult times.

Health Services and Development Agency June 4, 2018 Page two

Alive Hospice is a wonderful organization. It has demonstrated expertise in the provision of all levels of care for almost 43 years with 18 years of residential-based care. It is committed to quality patient care and is accredited by The Joint Commission. Alive ensures that all of its nurses are End-of-Life Nursing Education Consortium (ELNEC) trained for both adults and children. Alive also provides grief care. Further, Alive is the only not for profit hospice in our service area and has provided over a million dollars of charity care in their full service area in 2017 alone.

Therefore, it is without hesitation that I, both as a resident of Rutherford County and CEO of the largest physician group in the area, recommend approval of the Certificate of Need to expand the Alive Hospice Murfreesboro Residence by six (6) beds.

Sincerely

oseph A. Peay, CPA, CM Chief Executive Officer



June 4, 2018

Health Services and Development Agency Frost Building, Third Floor 161 Rosa L Parks Blvd. Nashville, TN 37423 Melanie Hill, Executive Director

Dear Ms. Hill,

This letter is written to support the Alive Hospice desire for a CON to build out the six beds in the Murfreesboro facility, "TRAHM – E".

I'm sure that you have been informed of the very high occupancy rates that have occurred since this facility was opened. There has also been a significant waiting list for patients who wanted to be admitted, so there seems to be no question about the need for the six beds in this community.

Our organization represents 500 providers of medical care in this community. They are acutely aware of the need for this type of care. Alive Hospice has always had a great reputation in this community, but the addition of the inpatient unit has been widely applauded by the physicians and nurse practitioners in Rutherford County and surrounding counties.

On a more personal note, my 91-year-old father-in-law was admitted to the unit some weeks ago and received excellent care. My wife, her sister, who is a nurse practitioner, and the rest of the family, could not speak highly enough about the care that he received. He died quietly in his sleep and was pain free.

I strongly support this CON application.

Sincerely,

Warren F. McPherson, M.D.

Wasen F. M. Fherroy

Chairman and CEO

June 1, 2018

Melanie Hill, Executive Director Health Services and Development Agency Frost Building, Third Floor 161 Rosa L. Parks Blvd. Nashville, TN 37423

Dear Ms. Hill:

We are writing to you in support of the Alive Hospice effort to complete the buildout of the Residence in Murfreesboro. The buildout will add six much needed beds to the facility.

As Murfreesboro residents and community volunteers, we are witnesses to unprecedented growth here. The Alive facility has operated at capacity since its opening. In the span of only ten years, experts indicate our area could double the size of its population.

Since Alive is the only not for profit facility in this area, we believe its expanded presence here is vital to the mission of St. Thomas Rutherford Hospital (which is also operating at full capacity and will be expanding its own facility). Additionally, we have just recently found ourselves in need of assistance from Alive for an elderly family member of our own. The presence of Alive Hospice has lifted a great burden from our shoulders as we attempt to navigate the best way to care for our loved one. We do sincerely hope that all citizens needing this type of care will be able to find it here.

Thank you for your consideration of this very important need in Murfreesboro.

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Sincerely,

Sydney Boerner,

Alive Hospice Advisory Board Member

Past President, Charity Circle of Murfreesboro

//Jim Boerner, MD

Obstetrics and Gynecology

President Elect.

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St. Thomas Rutherford Foundation Board



Gordon B. Ferguson, FACHE President and Chief Executive Officer Saint Thomas Rutherford Hospital Saint Thomas Regional Hospitals

June 6, 2018

Health Services and Development Agency Frost Building, Third Floor 161 Rosa L Parks Blvd Nashville, TN 37423 Melanie Hill, Executive Director

RE:

The Residence at Alive Hospice Murfreesboro Expansion "TRAHM- E" Application number pending

Dear Ms. Hill:

This is a letter of support for Alive Hospice to complete the buildout of the Residence in Murfreesboro, Tennessee from 10 beds as originally licensed to the 16 beds as originally constructed but not completed.

The utilization of the Murfreesboro Residence which opened 1 year ago (June 2017) exceeded all expectations and captured an otherwise unknown, unmet need that historical utilization numbers could not predict.

Alive Hospice, with demonstrated expertise in the provision of all levels of care for almost 43 years overall and 18 years for Residential based care, is Joint Commission Accredited, is committed to quality patient care and ensures that all nurses are End-of-Life Nursing Education Consortium (ELNEC) trained for both adults and pediatric care. Alive Hospice also provides grief care. Further, Alive Hospice is the only not for profit hospice in our service area and has provided over a million dollars of charity care in their full service area in 2017 alone.

I support this CON application as it will offer increased access to specialized dedicated health services in our community.

Respectfully submitted,

Gordon B. Ferguson, FACHE

President & CEO, Saint Thomas Rutherford Hospital

President, Saint Thomas Regional Hospitals

MEDICAL CENTER

200 StoneCrest Boulevard Smyrna, TN 37167 (615) 768-2000

June 1, 2018

Health Services and Development Agency Frost Building, Third Floor 161 Rosa L Parks Blvd Nashville, TN 37423 Melanie Hill, Executive Director

RE:

The Residence at Alive Hospice Murfreesboro Expansion "TRAHM- E"

Application number pending

Dear Ms. Hill:

This is a letter of support for Alive Hospice to complete the buildout of the Residence in Murfreesboro, Tennessee from 10 beds as originally licensed to the 16 beds as originally constructed but not completed.

The utilization of the Murfreesboro Residence which opened 1 year ago (June 2017) exceeded all expectations and captured an otherwise unknown, unmet need that historical utilization numbers could not predict.

Alive Hospice, with demonstrated expertise in the provision of all levels of care for almost 43 years overall and 18 years for Residential based care, is Joint Commission Accredited, is committed to quality patient care and ensures that all nurses are End-of-Life Nursing Education Consortium (ELNEC) trained for both adults and pediatric care. Alive Hospice also provides grief care. Further, Alive Hospice is the only not for profit hospice in our service area and has filled a much-needed gap in care.

I support this CON application, as it will offer increased access to specialized dedicated health services in our community.

Respectfully submitted,

toxis 7. Caputo

Louis F. Caputo

Chief Executive Officer

June 12, 2018

Health Services and Development Agency Frost Building, Third Floor 161 Rosa L Parks Blvd Nashville, TN 37423 Melanie Hill, Executive Director

RE:

The Residence at Alive Hospice Murfreesboro Expansion "TRAHM- E"

Application number pending

Dear Ms. Hill:

This is a letter of support for Alive Hospice to complete the buildout of the Residence in Murfreesboro, Tennessee from 10 beds as originally licensed to the 16 beds as originally constructed but not completed.

The utilization of the Murfreesboro Residence which opened 1 year ago (June 2017) exceeded all expectations and captured an otherwise unknown, unmet need that historical utilization numbers could not predict.

Alive Hospice, with demonstrated expertise in the provision of all levels of care for almost 43 years overall and 18 years for Residential based care, is Joint Commission Accredited, is committed to quality patient care and ensures that all nurses are End-of-Life Nursing Education Consortium (ELNEC) trained for both adults and pediatric care. Alive Hospice also provides grief care. Further, Alive Hospice is the only not for profit hospice in our service area and has provided over a million dollars of charity care in their full service area in 2017 alone.

I support this CON application as it will offer increased access to specialized dedicated health services in our community. As a lifelong resident of Murfreesboro and steward of a family owned funeral home serving our community since 1893, we see first-hand the impact a facility of this caliber offers the families we serve.

Respectfully submitted,

John B. Woodfin

Woodfin Funeral Chapels

Woodfin Memorial Chapel PO Box 636 1488 Lascassas Pike Murfreesboro, TN 37133

Phone: 615.893.5151 Fax: 615.893.5119 Woodfin Chapel, Smyrna 203 N. Lowry Street Smyrna, TN 37167 Phone: 615.459.3254

Fax: 615.459.3257



State of Tennessee Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 **www.tn.gov/hsda** Phone: 615-741-2364 Fax: 615-741-9884

July 1, 2018

John Wellborn, Consultant Development Support Group 4219 Hillsboro Road, Suite 210 Nashville, TN 37215

RE: Certificate of Need Application – The Residence at Alive Hospice Murfreesboro- CN1806-025

The addition of 6 residential hospice beds to its existing 10 bed residential hospice facility. The residential hospice is located at 1629 Williams Drive in Murfreesboro (Rutherford County). The applicant is owned by Alive Hospice, Inc. The estimated project cost is \$536,310.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on July 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 24, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA

self w.



State of Tennessee Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO:

Trent Sansing, CON Director

Office of Policy, Planning and Assessment

Division of Health Statistics

Andrew Johnson Tower, 2nd Floor 710 James Robertson Parkway

Nashville, Tennessee 37243

FROM:

Melanie M. Hill

Executive Director

DATE:

July 1, 2018

RE:

Certificate of Need Application

The Residence at Alive Hospice Murfreesboro- CN1806-025

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on July 1, 2018 and end on September 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc:

John Wellborn



LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Rutherford County, Tennessee, on or before June 10, 2018, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that The Residence at Alive Hospice-Murfreesboro (a residential hospice), to be owned and managed by Alive Hospice, Inc. (a not-for-profit corporation), intends to file an application for a Certificate of Need to add six (6) residential beds to its existing residential hospice facility at 1629 Williams Drive, Murfreesboro, TN 37129, at an estimated cost of \$537,000.

The facility is currently licensed as a ten (10) bed Residential Hospice, by the Board for Licensing Health Care Facilities. This project will increase its license to sixteen (16) beds. The project does not contain major medical equipment or initiate or discontinue any health service; and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is on or before June 15, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

(Signature) (Date) jwdsg@comcast.net (E-mail Address)

Supplemental #1 (Original)

The Residence at Alive Hospice— Murfreesboro

CN1806-025

June 25, 2018 12:04 P.M.

June 25, 2018

Mark Farber, Deputy Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE:

CON Application #1806-025

The Residence at Alive Hospice Murfreesboro

Dear Mr. Farber:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section and Item Numbering

It appears that the applicant is not utilizing the Section and Item Numbering for the current application form. Please submit the original application from the beginning of Section B with correct numbering.

<u>Response</u>: As requested, the revised application with its original information has been completed. It is being submitted simultaneously with this letter, under separate cover due to its bulk.

2. Section A, Executive Summary

a. Please provide a description of the services provided in residential hospice, including as applicable, the different levels of hospice care that will be provided within the residential hospice, i.e. Residential or Routine Care, General Inpatient Care, Respite Care, and Continuous Care.

Page Two June 25, 2018

Response:

In the "Miscellaneous" Attachment to the application, the applicant included a one-paragraph description of the four levels of hospice care as defined by Medicare. All but one (Continuous Care) are provided in the Murfreesboro Residence.

- During <u>Routine Care</u>, Alive Hospice staff provide medications, equipment and treatments related to the patient's hospice diagnosis and included in the physician-approved plan of care.
- <u>General Inpatient Care</u> (GIP) is more intensive care, intended to be short-term. This may require additional treatment monitoring, nursing, medications, and medical equipment. The GIP patient's condition is more acute than that of the routine care patient.
- Respite Care is to provide a rest break for caregivers of patients receiving hospice care in private homes. It is limited to five consecutive days, after which the patient returns to the private home for continued hospice care.
- <u>Continuous care</u> is not delivered in the Residence. Clinically, it is the same level of care as GIP. However, it must be delivered in a private home setting.

b. Please describe a typical day for a patient in a residential hospice bed.

Response:

Most patients seeking care in the Residence are unable to care for themselves in any other environment at the end of their lives, and they have varying degrees of cognitive capacity. Following is a summary of the typical schedule of services. Intensity of clinical care varies with their established Level of Care and the patient's treatment plan.

7am - 11am: Nursing Assessment, Breakfast as tolerated, Medications as necessary, Hygiene care and ADL supportive care as appropriate.

11am - 7pm: Ongoing assessments, Visitor interaction, Lunch and Dinner as appropriate, Medications as necessary, ADL supportive care as needed throughout the day, volunteer interaction (pets, music, other visits, ...).

Page Three June 25, 2018

7pm - 7am: Nursing Assessment, Dinner as tolerated, Medications as necessary, Hygiene care and ADL supportive care as appropriate.

c. How is the space for the proposed six beds currently being utilized? Where will these functions be relocated in the building?

Response:

On the floor plan in the Attachments, the proposed additional rooms are numbered 11-16. These spaces were intentionally designed to accommodate future licensed expansion, with appropriate wall gases, clear floor space, etc. Until needed for inpatient residential hospice care, they have been used for other purposes. Rooms 11 and 12, and rooms 14 and 15, respectively, are used as oversized family visiting rooms. Rooms 13 and 16 are used as extra staff offices. When these are renovated into licensed patient rooms, sufficient family visitation and office space for a 16-bed facility will remain available. The architects of the hospice planned for this eventual expansion when designing the building.

3. Section A, Project Details, Item 6A

Are there any other deed documents available that better identify the location/address of the residential hospice?

Response:

Unfortunately there are not. Alive management says that the deed was executed before the City assigned a street address.

However, Exhibit A to this deed describes the property as Lot 13 in Parkway Office Park. This is the same lot and office park named on page 1 of 21, of the lease that demonstrated site control in the 2014 CON application for this facility. Attached following this page is a photocopy of that page from the 2014 application.

June 25, 2018

COMMERCIAL LEASE AGREEMENT 12:04 P.M.

This lease agreement is made this 26 day of 2014, between PIRTLE FAMILY LIMITED PARTNERSHIP, a Tennessee family limited partnership (hereinafter referred to as "Landlord"), and ALIVE HOSPICE, INC., a Tennessee not for profit corporation (hereinafter referred to as "Tenant").

WITNESSETH:

For valuable consideration paid and received, Landlord hereby leases to Tenant, and Tenant hereby leases and hires from Landlord, subject to the terms and conditions hereinafter expressed, certain improved real estate known as Lot 13, Parkway Office Park, located in the City of Murfreesboro, County of Rutherford, Tennessee, which is more particularly described in the attached Exhibit A (the "Land"), along with the improvement constructed thereon, which are more depicted on the attached Exhibit B (the "Building"). Said improved real estate is hereinafter referred to as the "leased premises" or the "Premises.".

LANDLORD AND TENANT MUTUALLY COVENANT AND AGREE AS FOLLOWS:

1. Rent. Tenant shall pay to the Landlord as rent for the leased premises in the following amounts:

```
$40,869.47 per month or $490,433.64 per annum
       $42,095.55 per month or
                               $505,146.65 per annum
Year 2
                               $520,301.05 per annum
Year 3
       $43,358.42 per month or
Year 4 $44,659.17 per month or
                               $535,910.08 per annum
Year 5 $45,998.95 per month or $551,987.38 per annum
Year 6 $47,378.92 per month or $568,547.00 per annum
                               $585,603.41 per annum
Year 7 $48,800.28 per month or
Year 8 $50,264.29 per month or
                               $603,171.52 per annum
Year 9 $51,772.22 per month or
                                $621,266.66 per annum
                               $639,904.66 per annum
Year 10 $53,325.39 per month or
Year 11 $54,925.15 per month or
                               $659,101.80 per annum
Year 12 $56,572.90 per month or
                               $678,874.86 per annum
Year 13 $58,270.09 per month or
                               $699,241.10 per annum
Year 14 $60,018.19 per month or
                               $720,218.33 per annum
Year 15 $61,818.74 per month or
                               $741,824.88 per annum
Year 16 $63,673.30 per month or $764,079.63 per annum
Year 17 $65,583.50 per month or $787,002.02 per annum
Year 18 $67,551.01 per month or $810,612.08 per annum
Year 19 $69,577.54 per month or $834,930.44 per annum
Year 20 $71,664.86 per month or $859,978.36 per annum
```

Tenant shall pay Landlord the rental stated herein and any other additional payments under this Lease without demand, deduction or offset, payable in lawful money in the United States in advance on or before the first day of each month to Landlord at the address noted in Paragraph 24 hereof, or to such other party or at such other place as Landlord may hereafter from time to time designate in writing. Rent for any partial month at the beginning or end of the Lease term shall be prorated.

Landlord and Tenant hereby acknowledge and agree that the foregoing rental amounts and the Option Purchase Price are based on Landlord's estimated cost to complete Landlord's Work (as defined in Exhibit C below) of \$6,000,000. In the event that the actual cost to complete Landlord's Work is less or more than \$6,000,000.00, Landlord and Tenant shall work in good faith to adjust the rental rate and Option Purchase Price accordingly. In the event Landlord and Tenant do not mutually approve the rental rate and the Option Purchase Price within one hundred eighty (180) days following the Effective Date, Tenant shall have the right to terminate this Lease.

June 25, 2018 12:04 P.M.

Page Four June 25, 2018

4. Section B., Need, Item F. (Applicant Utilization)

Please discuss why the applicant believes that the inpatient unit at Skyline Madison is not realizing the same high occupancies taking place at the residential hospices and also why admissions declined almost 30% between 2016 and 2017.

Response:

The data on page 49 of the application contained errors in its admission statistic for two of those years. Admissions actually did increase from 2015 through 2017. Following this page is revised page 49R, correcting the error, which also changes the ALOS for those years.

5. Section B., Economic Feasibility, Item B (Funding)

a. Please provide letters from community donors expressing an interest donating to the proposed project including the amount of the expected donation.

Response:

The applicant is not able to solicit such letters prior to the awarding of a Certificate of Need. However, this application states that Alive Hospice, Inc. has sufficient operating cash to fund this small capital cost even without a successful capital campaign. See also the response to questions #6 and #7 below, which clarify the financial feasibility of the applicant to fund this small project with its own funds.

b. In case the applicant is unable to fund the proposed project fully with donations and/or operating cash, please provide a letter from a bank or other lending institution that presents an interest in loaning the funds needed for the proposed project to Alive Hospice.

Table B-Need-F3: Alive Inpatient Unit at TriStar Skyline Medical Center Madison								
CY2014-CY2022								
Licensed Patient ALOS ADC								
	Beds	Admissions	Days	(Days)	(Patients)	Occupancy		
(Actual)								
CY2015	15	342	3,105	9.1	8.5	56.7%		
CY2016	15	369	3,238	8.8	8.9	59.1%		
CY2017	15	389	3,146	8.1	8.6	57.5%		
(Projected)								
CY2018								
Annualized	15	444	3,447	7.8	9.4	63.0%		
CY2019	15	450	3,510	7.8	9.6	64.1%		
CY2020	15	475	3,705	7.8	10.2	67.7%		
CY2021	15	500	3,900	7.8	10.7	71.2%		

Methodology for Projections

- 1. Murfreesboro Residence: The 10-bed facility has been fully occupied this year. The projection annualizes YTD experience for 2018. For CY 2019, 2020, and 2021, the projection assumes adding ADC of 3, 4, and 6 patients respectively.
- 2. Nashville Residence: The current 2018 utilization annualized was projected to be unchanged; this particular building cannot achieve significantly higher census and demand for its beds will not decline.
- 3. Madison Inpatient Unit: 2019 Admissions projected as 6 more than in 2018 annualized; the following two years assume 25 more admissions per year than the previous year. ALOS of 7.8 this year projected to remain unchanged.

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Response:

The applicant respectfully declines to request such a letter from a bank. It will be unnecessary. The applicant's financial statements for 2017 document its strong cash and net asset positions. This is a very small project cost, approximately a half million dollars. The applicant has documented having more than ten million dollars in current assets (of which more than half is cash and cash equivalents). Please see the responses to questions #6 and #7 belowj for further clarification of financial feasibility for the project.

6. Section B., Economic Feasibility, Item C (Historical Data Charts)

- a. Please explain the negative numbers in the Capital Campaign line item under Non-Operating Expenses in the Historical Data Chart for Alive Hospice.
- b. Please explain why net balance declined from \$2,892,331 in 2016 to (\$8,395,632) in 2017 for Alive Hospice.
- c. Based on a Net Balance of (\$8,395,632) in 2017 for Alive Hospice and (\$152,102) at Murfreesboro residential hospice, please explain how operating cash will fund the proposed project if the capital campaign does not fully fund the project?

General Response to the three supplemental questions:

Attached following this page are revised pages 54R and 55R, the Historic Data Chart for Alive Hospice, Inc.

The State Chart format does not allow this not-for-profit, community-funded applicant to adequately reflect its strong financial position. With HSDA staff's permission, a revised Historic Data Chart is attached after this page with additional lines added, to provide a more accurate perspective on the applicant's resources. But a general explanation should be helpful to the Agency, before addressing specific supplemental questions.

HISTORICAL DATA CHART --ALIVE HOSPICE, INC.

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January

The fiscal year begins in January.									
					Year 2015		Year 2016		Year 2017
A.	Util	ization Data	Admissions	-	3,273	-	3,308	_	3,556
	(Sp	ecify unit or measure)	Patient Days	-	156,625		158,301		157,140
				-					
В.		enue from Services to Patients		\$	C 022 44E	æ	7.040.400	\$	9.040.163
	1. 2.	Inpatient Services		Φ.	6,923,445	\$_	7,049,490	a –	8,040,162 25,426,526
	۷. 3.	Outpatient Services Emergency Services		-	22,293,289	_	25,799,392	-	
	3. 4.	Other Operating Revenue		170	<u> </u>		2,518,948	_	2,595,343
	4.	i		1	1,732,072	-	2,510,940	-	2,393,343
		(Specify) See notes page	Gross Operating Revenue	\$	30,969,606	\$	35,367,830	\$	36,062,031
			Gloss Operating Revenue	Φ-	30,969,606	» —	33,367,630	-	30,002,031
C.	Dec	luctions from Gross Operating Re	venue						
	1.	Contractual Adjustments		\$_	1,554,723	\$	4,135,464	\$_	3,206,498
	2.	Provision for Charity Care			785,664		972,663		1,108,556
	3.	Provisions for Bad Debt			154,906		94,145		111,559
			Total Deductions	\$_	2,495,293	\$	5,202,272	\$_	4,426,613
NET	OPEF	RATING REVENUE		\$_	28,474,313	\$	30,165,558	\$_	31,635,418
D.	Оре	erating Expenses							
	1.	Salaries and Wages							
		a. Clinical		\$_	8,612,094	\$	9,115,277	\$_	9,994,070
		b. Non-Clinical		2	5,634,262		5,584,066		6,555,526
	2.	Physicians Salaries and Wages			1,381,649		1,573,009	_	1,874,539
	3.	Supplies			2,694,937		2,702,765	_	2,658,046
	4.	Rent							
		a. Paid to Affiliates		_		_		_	
		b. Paid to Non-Affiliates		_	423,323		424,481	_	379,067
	5.	Management Fees							
		a. Paid to Affiliates		-				_	
		b. Paid to Non-Affiliates		_				_	
	6.	Other Operating Expenses	See notes page.		7,605,570	_	8,358,958	_	8,592,560
			Total Operating Expenses	\$	26,351,835	\$ _	27,758,556	\$	30,053,808
E.	Earr	nings Before Interest, Taxes, and	Depreciation	\$_	2,122,478	^{\$} —	2,407,002	\$_	1,581,610
F.	Non	-Operating Expenses							
	1.	Taxes		\$	0	-	00	_	0_
	2.	Depreciation			519,730		551,986		801,010
	3.	Interest		0	17,932		24,342		84,660
	4.	Other Non-Operating Expenses		_	40,913	2	(630)		65,585
		Т	otal Non-Operating Expenses	\$_	578,575	\$	575,698	\$_	951,255
NET	INCO	ME (LOSS)		\$_	1,543,903	\$	1,831,304	\$_	630,355

Chart Continues Onto Next Page

Supplemental #1

		Year 2015		June 25, 2018 Year 2017 12:04 P.M.				
NET	INCO	ME (LOSS)	\$_	1,543,903	\$	1,831,304	\$_	630,355
G.	Othe	er Deductions/Revenues/Proceeds						
	1.	Annual Principal Debt Repayment	\$_	0	\$_	0	\$_	504,147
	2.	Annual Capital Expenditures		830,106	_	4,223,845		8,607,477
	3	Capital Campaign Revenues/Pledges		(628,909)		(4,923,255)		(277,223)
	4.	Other Restricted Asset Activity		90,255		(356,551)		196,586
	5.	LT Debt Proceeds		0		0		(5,175,000)
			1.7		122			
		Total Other Deductions/Revenues/Proceeds	\$_	291,452	\$_	(1,055,961)	\$_	3,855,987
		NET BALANCE	\$_	1,252,451	\$_	2,887,265	\$_	(3,225,632)
		DEPRECIATION	\$_	519,730		551,986	\$_	801,010
		FREE CASH FLOW (Net Balance + Depreciation)	\$	1,772,181	\$	3,439,251	\$	(2,424,622)

X TOTAL FACILITY

O PROJECT ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES			Year 2015		Year 2016		Year 2017
	(examples)						
1.	Employee taxes & benefits	\$_	2,852,261	\$_	3,075,891	\$_	3,589,558
2.	Mileage & fleet	_	558,826		562,787	-	616,548
3.	Purchased services	-	814,685		803,137	17.	876,079
4.	Occupancy & facility	-	1,022,033		1,030,119		1,185,772
5.	Telephone and IT	-	927,890		913,042		858,196
6.	Other		1,429,875		1,973,982		1,466,407
7.						-	
8.							
9.	7	y <u>-</u>					-
10.	7	· ·					
11.							
12.		<u> </u>					
	Total Other Expenses	\$	7,605,570	-	8,358,958	\$_	8,592,560

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Alive Hospice's original application stated that it would lease the Residence as a developed building, providing only approximately \$500,000 additional capital of its own--which would be raised in a capital campaign. Alive met with such enthusiastic community support that it was able to raise approximately \$5,829,000--enough to purchase the building and land when augmented by Alive's own operating funds.

But large capital funds pledges like those made for the Residence are made--and paid--in annual increments over three to seven years. They do not come in immediately. So, in order to speedily implement the Residence CON and meet area needs without delay, Alive combined three funding sources to construct the building and purchase both building and land, for \$8,635,462. The three funding components were:

- \$2,806,075 in operating funds of the parent organization;
- \$2,254,387 in pledged capital campaign gifts received; and
- \$3,575,000 funds from a bank "bridge loan"-- to be repaid from ongoing pledge receipts over several years.

The bridge loan is being repaid in annual increments as pledge payments are received. There are more than enough pledged funds scheduled to come in, to pay off the bridge loan within three to five years.

On the originally submitted Historic Data Chart for Alive Hospice, Inc., the State format did not have any place to show the availability of bridge loan proceeds. As staff's supplemental questions indicated, that made it appear that the Alive parent organization had almost triple the negative net balance and negative free cash flow that it actually has.

The revised Historic Data Chart eliminates line F5 "Capital Campaign" (which had been added by the applicant) and instead adds to Section G the new lines G3, G4, and G5. G3 is total capital campaign pledges received, or made, during that year. G4 reflects changes in other restricted assets. G5 has an entry for 2017 of \$5,175,000--consisting of the capital campaign bridge loan of \$3,575,000 and a second loan to assist in the purchase of an unrelated property (a dental clinic building) located in Nashville.

These changes result in a much smaller negative net balance and negative free cash flow. What does not show even in the revision, however, is that Alive still is on schedule to receive \$2,880,659 in capital campaign pledges over the next few years. So it will not difficult for Alive to fund

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this \$536,310 project from its operating cash reserves and/or from a second capital campaign.

Specific responses to the three supplemental questions:

- a. The negative numbers in the capital campaign line on the original Projected Data Chart represented revenues rather than expenses. That line has been eliminated in the revised Chart.
- b. The net balance of the applicant is now shown to have declined much less from 2016 to 2017. It did decline, but primarily because Alive made a large second capital expenditure to purchase a building in Nashville in 2017. That sort of expenditure is not anticipated again in the next several years.
- c. The negative cash flow will still allow such a small capital project as this one to be funded from any foreseeable combination of fundraising and operating income. Please see the applicant's income statement and balance sheet in the Attachments.

7. Section B., Economic Feasibility, Item D (Projected Data Charts)

Please explain how a Net Balance of (\$8,395,632) in 2017 for Alive Hospice will improve to \$473,671 in Year 1. In concert with that please discuss how annual capital expenditures of \$8,607,477 in 2017 decline to \$500,000 in Year 1.

Response:

There is now a much smaller Net Balance, in the revised Historic Data Chart. It will improve as projected because there will not be a repetition of 2017, when Alive booked the remaining capital expenditure for its Residence and booked an unrelated but substantial new capital expenditure for a building located in Nashville. Booking these entire capital expenditures in one year, when pledges are being received over several years, is appropriate accounting procedure; but it presents a misleading picture with respect to the impact of Net Balance and Cash Flow on Alive's financial soundness and capacity to fund its expansions.

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8. Section B., Economic Feasibility, Item E.1)

There appear to be calculation errors in this chart. Please make the necessary corrections and re-submit the chart.

Response:

Attached following this page is a revised page 63R.

- 9. Section B., Economic Feasibility, Item G.
 - a. Your response to this item is noted. It appears that the payor mix for Alive Hospice was presented. Please do the same for The Residence at Alive Hospice Murfreesboro.

Response:

Attached after this page is a revised page 70R with the payor mix in Year 1 for just the Residence.

b. Please provide Alive Hospice's funds raised through fundraising for each of the three most recent years.

Response:

	Funds Raised	by Alive Hosp	ice, 2014-2017	
	2014	2015	2016	2017
Unrestricted	\$1,300,386	\$1,322,059	\$1,968,303	\$1,931,068
Restricted	\$838,185	\$917,008	\$5,716,844	\$519,478
Total	\$2,138,571	\$2,239,067	\$7,685,147	\$2,450,546

Note: Restricted funds include capital fund contributions and pledges. The large 2016 entry reflects the capital campaign for the residence.

E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Project	Project			
	Previous	Current			% Change
	Year	Year	Project	Project	(Current
	2016	2017	Year One	Year Two	Yr1 - Yr2)
Gross Charge Gross	NA	\$6,478.46	\$7,617.06	\$7,639.08	0.29%
Operating Revenue / Admission					
Operating Revenue / Day	NA	\$522.52	\$613.89	\$615.68	0.29%
Deduction from Revenue Total	NA	\$569.74	\$530.93	\$538.24	1.38%
Deductions / Admission					
Deductions / Day	NA	\$45.95	\$42.79	\$43.38	1.38%
Average Net Charge Net	NA	\$5,908.72	\$7,086.14	\$7,100.84	0.21%
Operating Revenue / Admission					
Operating Revenue / Day	NA	\$476.57	\$571.10	\$572.30	0.21%

E. 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

The project will be funded by community contributions and/or contributions from the parent company, so there will be no debt service to impact current charges. No significant increases in charges are projected during the next two years.

G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Alive Hospice, Inc.'s Projected Payor Mix, Year 1				
Payor Source	Projected Gross Operating Revenue	As a Percent of Total Revenue		
Medicare/Medicare Managed Care	\$32,852,824	76.1%		
TennCare/Medicaid	\$1,896,908	4.4%		
Commercial/Other Managed Care	\$3,188,419	7.4%		
Self-Pay	\$1,252,975	2.9%		
Charity Care	\$1,168,609	2.7%		
Other	\$2,789,554	6.5%		
Total	\$43,149,289	100.0%		

The Residence at Alive Hospice Murfreesboro's Projected Payor Mix, Year 1				
	Projected Gross	As a Percent of		
Payor Source	Operating Revenue	Total Revenue		
Medicare/Medicare Managed Care	\$1,934,318	61.6%		
TennCare/Medicaid	\$199,979	6.4%		
Commercial/Other Managed Care	\$321,774	10.3%		
Self-Pay	\$594,041	18.9%		
Charity Care	\$88,118	2.8%		
Other	\$0	0.0%		
Total	\$3,138,230	100.0%		

H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See the staffing table on the following page.

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10. Section C., Economic Feasibility Item H.

a. Will the applicant's staffing pattern include counselors, therapists, pastoral care staff, etc.? If yes, why are those disciplines not included in the staffing chart? Are these disciplines accounted for in the Projected Data Chart?

Response:

Medicare regulations require a Residential Hospice to be staffed with Interdisciplinary Groups or "IDGs" composed of a physician, registered nurse, aide, social worker, and chaplain. All these are provided at the Alive Residence in Murfreesboro.

The Chaplain and Physician are employees of the parent organization and are based at the branch hospice care office that occupies the same building, from where they visit several hospice locations. They serve and minister to patients and families at the Residence as needed, but they are not employees or contractual staff of the Residence. Thus their time in the Residence is not scheduled on the shift staffing pattern and is not an expense of the Residence. Attached following this page is revised page 71R, with the chaplaincy position added for clarification.

Other needed services such as therapies that are not available from the IDG team purchased from third parties. These expenses are reflected in the "Other Expenses" itemization, line 3, "Purchased Services", in the Historic or Projected Data Charts.

b. Please identify and provide the CV for the Medical Director for the residential hospice.

Response:

It is attached following this page.

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Table B-Need-F	1: The Reside	ence at Alive H	Table B-Need-H: The Residence at Alive Hospice Murfreesboro	2
Current and F	Projected Sta	fflng (Revise	Projected Staffing (Revised on Supplemental)	
	Evicting ETEC	Projected FTEs	Average Annual Salary	Statement Mose Wase
Position Classification				
A. Direct Patient Care Positions				
Physician	1.00		1.00 On Alive Corporate	Not available
Chaplain	0.50		0.50 On Alive Corporate	Not available
Director	1.00	1.00	000'02\$	Not available
Charge Nurse	3.60	3.60	\$58,000	\$60,050
Registered Nurse	4.20	00'6	\$52,500	\$60,050
Hospice Aide	4.20	06'6	\$25,000	\$25,000
Social Worker	00.00	1.00	\$52,000	\$51,560
Total Direct Patient Care Positions	14.50	26.00		
B. Non-Patient Care Positions				
Receptionist	1.20	1.20	\$29,000	\$27,340
Team Coordinator	1.00	1.00	005'88\$	Not available
Total Non-Patient Care Positions	2.20	2.20		
Total Employees (A + B)	16.70	28.20		12
				2:0
C. Contractual Staff	0.00	00.0		14
Total Staff (A+B+C)	16.70	28.20		P
Source: Applicant's management.				VI.

Jacksonville, FL

Feb 2011 - Present

Andrew Philip Daigle, MD June 25, 2018

drewdaigle@gmail.com | (904) 477-2176 mobile | 3715 Valverde Circle, 2007 R.M., FL 32224

PROFESSIONAL

COMMUNITY PALLIATIVE CONSULTANTS

Senior Medical Director

In-patient consult service for 6 area hospitals, (primary site Baptist Downtown): Baptist Health System (2 hospitals) St. Vincent's Healthcare (2 hospitals) UF Hospital Jacksonville Memorial Hospital	reo 2011 – Fresch
 Palliative Medicine Consult Service Attending Physician, In-patient Hospice Medical Director, Palliative Medicine Medical Director, Hospice 	Richmond, VA Sep 2009 – Feb 2011
 SPARTANBURG REGIONAL HEALTH SYSTEM (SRHS) Medical Director, Palliative Medicine Consult Service Medical Director, Palliative Care Unit Medical Director, Regional Hospice In-home Care Medical Director, Regional Hospice Home 15-bed free standing hospice house 	Spartanburg, SC Nov 2007 – Sep 2009
 HIGHLANDS HOSPITAL Attending Physician, Emergency Department 	Birmingham, AL Apr 2007 – Oct 2007
 SACRED HEART HEALTH SYSTEM (SHHS) Attending Physician, Emergency Department Level 2 Adult and Pediatric Trauma Center Assistant Medical Director, Case Management Medical Director, Interim Palliative Care 	Pensacola, FL Apr 1992 – Nov 2006 Jan 2005 – May 2006 Jun 2006 – Nov 2006
 CAROLYN FIELDS, MD, PA Full-time private practice including in-patient services, Family Medicine 	Greenville, SC Apr 1991-Apr 1992
 GREENVILLE AREA HOSPITALS Attending Physician, Emergency Department Greenville Hospital System St Francis Health System Easley Baptist Hospital 	Greenville, SC Dec 1990 – Apr 1992
 CENTER FOR PAIN MANAGEMENT Medical Director, Outpatient Care 	Greenville, SC Apr 1990 – Apr 1991

WOODWARD MEDICAL CENTER

June 25, 2018 Greenville, SC

• Full-time private practice including in-patient services, Family Medicint2:04 P.M. Jul 1989 – Dec 1990

GREENVILLE HOSPITAL SYSTEM

Greenville, SC

• Assistant Medical Director, Cardiac Rehabilitation

Jul 1987 - Jul 1989

MENTORING EXPERIENCE

Attending for University of Florida Palliative Medicine Fellows during required rotations for in patient consult service.

Mentor for multiple nurse practitioners entering full-time palliative care

Attending, Palliative Medicine for residents, medical students, ARNP, nursing and chaplain students during elective rotations

Acting attending, Palliative Medicine for Hem/Onc and Renal fellows, residents, and medical students during required rotations at University of Alabama, Birmingham

Adjunct Assistant Professor of Clinical Studies for resident physicians during emergency department rotations, Sacred Heart Hospital

Preceptor for medical student emergency department rotations, Sacred Heart Hospital

Adjunct Assistant Professor of Clinical Studies for student physician assistants and student nurse practitioners, Sacred Heart

Biology Dissection Lab Instructor, Aletheia Christian Academy and Trinitas Christian School, Pensacola, FL

In addition: mentored colleague palliative physicians entering our practice

PRESENTATIONS (abbreviated list)

"Caring Communications," Multiple locations, presented over 14 workshops since 2012

"Palliative Medicine - An Extra Layer of Care," LSUMC Scientific Session at multi-class reunion, Jun 2016

"Palliative Medicine Overview," River Gardens Annual Entman Conference, May 2016

"Difficult Communications in Ebola Patient Situations," Jacksonville University, Apr 2015

"Difficult Communications," ELNEC, May 2014

"Palliative Care and Hospice," CHNE Foundation Board, May 2014

"Palliative Care," Florida Radiation Oncology Group, Jul 2013

"Palliative Care," Baptist Hospital South Board, Aug 2013

"Palliative Care," Baptist Home Health, Sep 2013

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"Integrative Care Conference," Baptist Health, Jan 2012

- "Pain Management Strategies," Annual Pain Seminar, St Mary's Hospital BSHS, Sep 2010
- "Difficult Communications: Gaining the Skill Set and Knowing Your Resources," Feb 2010
- "Hospice Care ALS Case Presentation," SRHS Nursing Grand Rounds, Jan 2009
- "Palliative Medicine in Acute Stroke Care," SRHS Acute Stroke Conference, Aug 2008
- "Spiritual Care in Palliative Medicine" Annual Health Ministries Sunday, St John's Lutheran Church, Sep 2008
- "Myths and Misconceptions in Pain Management" at the annual SRHS pain conference, Sep 2008
- "Feeding and Eating for Comfort," Palliative /Speech and Language combined rounds, Aug 2008
- "Palliative Medicine Overview," SRHS, April 2008
- "Feeding Tubes and Dementia, Preparing for the Discussion," Palliative Medicine and Geriatrics Grand Rounds at UAB, Oct 2007
- "3 Weeks Post-Tsunami Medical Mission Trip to Banda Aceh, Indonesia," Medical Grand Rounds, Sacred Heart Hospital, Apr 2005
- "As the Dog Bites: Review of Emergency Dog Bite Care," Sacred Heart Regional Trauma Conference,
- "Snakebite! Current Care of Snakebite Victims," Sacred Heart Regional Trauma Conference,
- "Procedural Techniques Including Suturing for Children and Infants," Pediatric Grand Rounds,

In addition: numerous presentations on palliative care, hospice, symptom management, advance directives and communications, given to physician, nursing and hospital administrative audiences, as well to lay audiences

OFFICES AND AFFILIATIONS RELATED TO MEDICINE

Chairmen, Ethics Committee, Baptist Health System	2012 – present
Member, Ethics Committee, Community Hospice of NE Florida	2013 – present
Member, Cancer Committee, Baptist Health System	2012 – present
Medical Director, Schwartz Center Rounds, Baptist Health System	2013 – present
Chairman, Hospice and Palliative Medicine section, St Vincent's Health System	2015 - present
Member, Pain Committee, Baptist Health System	2012 – present
Member, Agewell Clinical Advisory Council	2014present
Member, Cancer Committee, St Mary's Hospital	2009 - 2011
Member, Cancer Committee, St Francis Hospital	2009 - 2011
Member, Cancer Committee, Memorial Regional Medical Center	2009 - 2011
Co-Chairman, NIH/NCCCP Survivorship Subcommittee	2008 - 2009
Member, Cancer Care Committee, SRHS	2007 - 2009
Member, Pain Committee, SRHS	2008 - 2009
Secretary/Treasurer, Medical Staff/Medical Executive Committee, SHHS	2005 - 2006

	Supplementa	1 #1
Chairman Cradantiala Committae SIIIIS	June 25, 2018	
Chairman, Credentials Committee, SHHS Member, Credentials Committee, SHHS	12:04 P.M.	2004 – 2005
Member, Pharmacy Committee, SHHS		2002 - 2005
Member, Physician Leadership Committee, Health First Network		19992002
	tion Committee	19982003
Resident Member, American Academy of Family Medicine, Health Educa	tion Committee	1987 1989
Vice President, South Carolina Family Medicine Resident Association	111 14 0 24	19871988
Medical Student Member, American Academy of Family Medicine, Menta	al Health Committee	19851986
Student Board Member, Louisiana Academy of Family Physicians		19841985
President, LSUMC in New Orleans Family Medicine Interest Group		1984—1986
Member, American Academy of Hospice and Palliative Medicine		2006present
Member, American Academy of Family Physicians		
Member, Christian Medical and Dental Society		
Member, Duval County Medical Society		
CERTIFICATIONS AND LICENSES		
DEA, active		
Florida License		2019
Board Certification, American Board of Family Medicine		
· · · · · · · · · · · · · · · · · · ·		1989 - 2023
Certificate of Added Qualification, Hospice and Palliative Medicine		2008 - 2018
EDUCATION		
UNIVERSITY OF ALABAMA	I	Birmingham, AL
Fellowship in Hospice and Palliative Medicine		2006 - 2007
GREENVILLE HOSPITAL SYSTEM		Greenville, SC
Residency in Family Medicine		1986 – 1989
•		
LOUISIANA STATE UNIVERSITY MEDICAL CENTER	N	lew Orleans, LA
Medical Doctorate		1982 - 1986
COLUMN A COMEDNIA OLITICA NA AUNTA VIDANTA		
SOUTHEASTERN LOUISIANA UNIVERSITY R.S. Major Minor		Hammond, LA

1978 - 1982

B.S., Major, Minor

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Additional Item from Applicant

Attached after this page is revised page 35R, showing levels of care in hospice settings as referenced on page 34 of the original application. The original application's table on page 35 was not the correct table.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully, Wellbern

John Wellborn

	Level of Care			
Place of Service	General Inpatient Care (GIP)	Routine Home Care (RHC)	Respite Care	Continuous Care
Patient's Home/Residence		x		x
Assisted Living Facility (ALF)		Х		Х
Nursing Facility Long Term Care (LTC)		Х		
Nursing Facility Skilled (SNF)	X	X	Х	
Hospital*	Х		Х	
npatient Hospice Facility**	Х		Х	
Residential Hospice***	Х	X	Х	
ndependent Living Facility		X		Х
Group Home		X		X

^{*}Individual Patient Beds designated for inpatient hospice care, anywhere in the hospital ("scatterbeds"), but licensed as acute care.

Source: Alive Hospice management.

^{**}Bed unit leased to a hospice to operate for inpatient hospice care, but beds remain in hospital license.

^{***}Facility is licensed as a Residential Hospice in Tennessee.

June 25, 2018 12:04 P.M.

AFFIDAVIT

STATE OF TENNESSEE COUNTY OF DAVIDSON

NAME OF FACILITY:	ALIVE HOSPICE, IA	IC.

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25 day of June, 201 witness my hand at office in the County of Aural SON State of Tennessee.

NOTARY PUBLIC

My commission expires

HF-0043

Revised 7/02



Supplemental #2 (Original)

The Residence at Alive Hospice Murfreesboro

CN1806-025

June 28, 2018 12:58 pm

June 28, 2018

Mark Farber, Deputy Director Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

RE: CON Application #1806-025

The Residence at Alive Hospice Murfreesboro

Dear Mr. Farber:

This letter responds to your second supplemental request for documentation on the bridge loan for the subject project. A summary and the loan papers themselves are attached following this page, in triplicate, with affidavit.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,

the Wellborn

Details of construction bridge loan for Murfreesboro Residence

Alive Hospice entered into a construction loan agreement with Pinnacle Bank on July 20, 2016 for the purpose of funding the construction of the Murfreesboro Residence to bridge the timeframe between construction costs payable and collection of capital campaign pledges. The loan agreement had a maximum draw amount of \$6,000,000.

As outlined in a prior response, Alive used already collected campaign pledges to pay for construction draws of approximately \$2.0M before drawing on the construction loan. Over the course of the construction, Alive drew down \$3,575,000 on the construction loan.

As pledges are collected, Alive is paying the down the note as the note holds no prepayment penalties.

Loan Terms:

- Commencing on August 20, 2016 through July 20, 2019, the loan is interest only, the Note carries an interest rate of LIBOR plus 1.85% during this time,
- If a balance still remains outstanding after July 20, 2019, Alive will pay lender a fixed principal and interest payment based on a 15-year amortization of the remaining principal,
- Note shall mature on July 20, 2021 at which time Alive shall pay lender an amount equal to all
 outstanding principal and interest.

The Note is secured by a promissory note collateralized by the 3 office buildings on the Patterson Street campus.

The Note contains few negative covenants; Alive will not discontinue business, merge or consolidate, acquire additional debt in excess of \$750,000, incur new liens on collateral, create or acquire any subsidiary or change certain executive management without prior written consent of lender.

As outlined previously, there are sufficient capital campaign pledges to be received over the course of the next 3 years to fully repay the note on or before July 20, 2021. To date, Alive has collected 100% of all pledges made and has had no write-offs of pledges as being none receivable.

June 28, 2018 12:58 pm

CONSTRUCTION NOTE

July 20, 2016

\$6,000,000,00

FOR VALUE RECEIVED, ALIVE HOSPICE, INC., a Tennessee non-profit corporation (the "Borrower"), promises and agrees to pay to the order of PINNACLE BANK, a Tennessee state bank (the "Lender"), at its offices in Nashville, Tennessee, or at such other place as may be designated in writing by the holder, in lawful money of the United States of America, the principal sum of up to Six Million and no/100 Dollars (\$6,000,000.00), or so much thereof as may be advanced from time to time by the Lender, together with interest from the date hereof on the unpaid principal balance outstanding from time to time hereon computed at an annual rate equal to the LIBOR Rate for the applicable Interest Period plus the Applicable Margin (as such terms are hereinafter defined), which rate shall be adjusted as provided herein. The interest rate hereunder shall be calculated based on a year of 360 days for the actual number of days elapsed.

As used in this Note, the following terms shall have the following meanings:

"Applicable Margin" shall mean 1.85% per annum.

"Interest Period" shall mean, each period commencing on the last day of the immediately preceding interest Period and ending on the same day of the third calendar month thereafter; provided that (i) any interest Period that ends in a month for which there is no day which numerically corresponds to the last day of the immediately preceding interest Period shall end on the last day of the month and (ii) any interest Period that would otherwise extend past the Maturity Date shall end on the Maturity Date.

"LIBOR Rate" shall mean, for any Interest Period, the three-month London Interbank Offered Rate, as determined by Lender with reference to the LIBOR rates published on the commencement date of such Interest Period by Reuters (or such other commercially available source providing quotations of LIBOR, as may be designated by Lender from time to time). In no event shall the LIBOR Rate be less than 0.0%.

This Note is issued pursuant to and in connection with that certain Construction Loan Agreement of even date herewith by and between Borrower and Lender (as such may be amended and/or restated from time to time, the "Loan Agreement"). Capitalized terms not defined herein shall have such meaning as set forth in the Loan Agreement.

From the date hereof, until the Advance Termination Date, and provided no Default or Event of Default has occurred and is continuing under the Loan Agreement, and provided Borrower have satisfied all terms and conditions under the Loan Agreement, the Borrower may obtain Advances hereunder; provided that in no event may Borrower borrow, repay and reborrow hereunder. On the Advance Termination Date, this facility shall convert to a term facility, and the Borrower shall not be entitled to obtain any additional Advances hereunder.

This Note shall be payable as follows: (a) commencing on August 20, 2016 and continuing on the 20th day of each consecutive month thereafter through and including July 20, 2019, the Borrower shall pay to the Lender an amount equal to all accrued and unpaid interest; (b) in the event that the Obligations are not paid in full on or before July 20, 2019, commencing on August 20, 2019 and continuing on the 20th day of consecutive month thereafter through and including June 20, 2021, Borrower shall pay to Lender a fixed principal and interest payment based upon a fifteen (15) year amortization schedule of the outstanding principal balance hereunder as of July 20, 2019, such amount being applied first to accrued interest and then to principal; and (c) this Note shall mature on July 20, 2021 (the "Maturity Date"), at which time the Borrower shall pay to the Lender an amount equal to all outstanding principal, plus all accrued and unpaid interest, along with any other outstanding Obligations.

Upon the occurrence and during the continuation of an Event of Default, then, at the option of the holder, the entire indebtedness hereby evidenced shall become due, payable and collectible then or thereafter, without notice, as the holder may elect regardless of the date of maturity. The holder may waive any default or Event of Default before or after the same has been declared and restore this Note to full force and effect without impairing any rights hereunder, such right of waiver being a continuing one.

Principal and unpaid interest bear interest following any Event of Default at the Default Rate; provided that the Default Rate shall not accrue subsequent to a payment default, until the 30th day after the applicable due date of any missed payment; provided further that on the 11th day after the applicable due date of any missed payment, a five percent (5%) one time late charge (the "Late Charge") shall be due on the amount of such missed payment. In case of sult, or if this obligation is placed in an attorney's hands for collection, or to protect the security for its payment, the undersigned will pay all costs of collection and litigation, including a reasonable attorney's fee.

All amounts received for payment shall, at the option of the Londer, be applied first to any unpaid expenses due Lender under this Note or under any other documents evidencing or securing the obligations or indebtedness of Borrower to Lender, then to the unpaid Default Interest, then to all other accrued but unpaid interest due under this Note, and finally, to the reduction of outstanding principal due under this Note.

This Note may be prepaid in whole or in part without premium or penalty.

The makers, endorsers, guarantors and all parties to this Note and any who may become liable for same, jointly and severally waive presentment for payment, protest, notice of protest, notice of nonpayment of this Note, demand and all legal diligence in enforcing collection, and hereby expressly agree that the lawful owner or holder of this Note may defer or postpone collection of the whole or any part thereof, either principal and/or interest, or may extend or renew the whole or any part thereof, either principal and/or interest, or may accept additional collateral or security for the payment of this Note, or may release the whole or any part of any collateral security and/or liens given to secure the payment of this Note, or may release from liability on account of this Note any one or more of the makers, endorsers, guarantors and/or other parties thereto, all without notice to them or any of them; and such deferment, postponement, renewal, extension, acceptance of additional collateral or security and/or release shall not in any way affect or change the obligation of any such maker, endorser, guarantor or other party to this Note, or of any who may become liable for the payment thereof.

This Note is a secured promissory note.

This Note has been executed and delivered in, and shall be governed by and construed according to the laws of the State of Tennessee except to the extent pre-empted by applicable laws of the United States of America. If any provision of this Note should for any reason be invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect,

TIME IS OF THE ESSENCE WITH REGARDS TO EACH AND EVERY PROVISION OF THIS NOTE.

In any action to enforce this Note, Borrower hereby irrevocably and unconditionally waives any and all rights under the laws of any state to claim or recover any special, exemplary, punitive, consequential or other damages other than actual damages.

This Note may not be changed or terminated without the prior written approval of the Lender and the Borrower. No waiver of any term or provision hereof shall be valid unless in writing signed by the holder.

June 28, 2018 12:58 pm

ENTERED INTO as of the date first above written,

BORROWER:

ALIVE HOSPICE, INC.

Joseph Hampe,

Chief Financial Officer

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "Agreement") is made and entered into as of July 20, 2016 (the "Closing Date"), by and between ALIVE HOSPICE, INC., a Tennessee nonprofit corporation ("Borrower"), and PINNACLE BANK, a Tennessee state bank ("Lender").

WITNESSETH:

WHEREAS, subject to the terms and provisions hereof, Lender has agreed to make available certain credit for the purposes set forth herein; and

WHEREAS, Borrower and Lender desire to enter into this Agreement in order to set forth the terms, provisions and conditions governing the oredit availability and the disbursement of the proceeds described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower and the Lender agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions. In addition to the other terms defined herein, the following terms shall have the meanings specified below:

"Advance" means any and all extensions of credit made pursuant to this Agreement, the Note, or any Loan Document, including any renewal, amendment, extension or modification thereof. The terms "Advance" and "Loan" (or the plural forms thereof) are used interchangeably in this Agreement.

"Advance Termination Date" means January 20, 2018.

"Agreement" means this Construction Loan Agreement, including all exhibits hereto, as the same may be amended, modified or supplemented from time to time.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Tennessee are authorized or required by law to close.

"Conditions Precedent" means those matters or events that must be completed or must occur or exist prior to Lender's being obligated to fund any Advance, including, but not limited to, those matters described in <u>Article 3</u> hereof.

"Default" means the occurrence of any event which except for the passage of time or the delivery of notice with an opportunity to ours would be an Event of Default.

"Default Rate" shall mean the maximum lawful rate of interest permitted by law.

"Draw Request" means a Draw Request to be submitted by the Horrower in connection with each Advance of the proceeds under the Loan, in substantially the form of the Draw Request attached hereto as Exhibit A and incorporated herein by reference.

"Environmental Laws" shall mean all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Rolease or threatened Release of any Hazardous Material or to health and safety matters.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"Event of Default" means, pending any applicable passage of time, giving of notice or other condition, the occurrence of any event or condition specified in <u>Article 6</u> hereof. Prior to any applicable passage of time, giving of notice or other condition, any such occurrence is considered a "Default."

"GAAP" means generally accepted accounting principles in the United States applied on a consistent basis.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Indebtedness" of any Person means, without duplication (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (iv) all obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person, (v) all capital lease obligations of such Person, (vi) all obligations, contingent or otherwise, of such Person in respect of latters of credit, acceptances or similar extensions of credit, (vii) all guarantees of such Person of the type of Indebtedness described in clauses (i) through (vi) above, (viii) all Indebtedness secured by any Lien on property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (ix) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any common stock of such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, except to the extent that the terms of such Indebtedness provide that such Person is not liable therefor.

"Lien" means any mortgage, pledge, security interest, lien (statutory or otherwise), charge, encumbrance, hypothecation, assignment, deposit arrangement, or other arrangement having the practical effect of the foregoing or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or

other title retention agreement and any capital lease having the same economic effect as any of the foregoing).

"Loan" shall be used interchangeably with the term "Advance" hereunder; provided that from time to time the term Loan is used to refer to the entire commitment evidenced hereby.

"Loan Documents" means, collectively, each document, paper or certificate executed, furnished or delivered by Borrower in connection with this Agreement (whether before, at, or after the Closing Date), including, without limitation, this Agreement and the Note, along with all other documents, certificates, reports, and instruments that this Agreement requires or that were executed or delivered (or both) by the Borrower at Lender's request and relating to the Loan.

"Material Adverse Change" shall mean any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences, whether or not related, that causes a material adverse change in, or a material adverse effect on, (i) the business, results of operations, financial condition, assets, liabilities or prospects of the Borrower, (ii) the ability of the Borrower to perform any of their respective obligations under the Loan Documents, (iii) the rights and remedies of the Lender under any of the Loan Documents, or (iv) the legality, validity or enforceability of any of the Loan Documents.

"Maturity Date" moans July 20, 2021.

"Note" means that certain \$6,000,000 Construction Note issued of even date herewith by Borrower to the order of Lender, as such may be amended and/or restated from time to time.

"Obligations" means all amounts owing by the Borrower to the Lender pursuant to or in connection with this Agreement or any other Loan Document, including without limitation, all principal, interest (including any interest accruing after the filling of any petition in bankruptcy or the commencement of any insolvency, raorganization or like proceeding relating to the Borrower, whether or not a claim for post-filling or post-petition interest is allowed in such proceeding), all reimbursement obligations, fees, expenses, indemnification and reimbursement paymonts, costs and expenses (including all fees and expenses of counsel to the Lender incurred pursuant to this Agreement or any other Loan Document), whether direct or indirect, absolute or contingent, liquidated or unliquidated, now existing or hereafter arising hereunder or thereunder, together with all renewals, extensions, modifications or refinancings thereof.

"Permitted Liens" means the following:

- (a) Liens on the Pledges and the deposit accounts of Borrower maintained with Lender and any other lien granted to Lender in connection with any Indebtedness owed by Borrower to Lender;
- (b) Liens for taxes not delinquent or that are being contested in good faith and by appropriate actions and for which adequate reserves in accordance with GAAP have been established on the books of Borrower;
- (c) Liens securing purchase money debt or Indebtedness arising under capitalized leases, which are permitted hereunder; provided that in each case any such

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Lien attaches only to the specific item(s) of property or asset(s) acquired or financed with the proceeds of the corresponding Indebtedness;

- (d) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than thirty (30) days, or if overdue for more than thirty (30) days, (1) which are being contested in good faith and by appropriate proceedings, (2) for which adequate reserves in accordance with GAAP have been established on the books of Borrower;
- (e) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases, public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds, or other similar obligations arising in the ordinary course of business;
- (f) Judgment and other similar Liens arising in connection with court proceedings, provided the execution or anforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings and appropriate reserves are being maintained on the books of Borrower; and
- (g) Basements, rights-of-way, restrictions and other encumbrances that, in the aggregate, do not materially interfere with the occupation, use and enjoyment by Borrower of the real property encumbered thereby in the normal course of its business or materially impair the value of the real property subject thereto.

"Person" shall mean any individual, partnership, firm, corporation, association, joint venture, limited liability company, trust or other entity, or any Governmental Authority.

"Pledges" means any and all pledges of funds from third party donors received by Borrower related to the Project.

"Premises" means the real property and improvements located at the following addresses: (i) Administrative West Building, 1807 Patterson Street, Nashville, TN 37203; (ii) Administrative East Building, 1718 Patterson Street, Nashville, TN 37203; and (iii) Training Center, 307-311 18th Avenue N, Nashville, TN 37203.

"Principal Office" means the principal office of the Lender located at 150 Third Avenue South, Suite 800, Nashville, TN 37201.

"Project" means the construction of an approximate 22,000 square foot residential hospice facility located on a 2.1 acre portion of the real property and improvements located in Rutherford County, Tennessee known as Lot No. 13, as shown on that certain Final Plat, Lots 12 and 13, Section III, Parkway Office Park, Commercial Subdivision, of record in Plat Book 34, page 234, Register's Office for Rutherford County, Tennessee.

"Property" or "Properties" means any interest in any kind of property or asset, whether real, personal, or mixed, or tangible or intengible.

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including

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ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

"Subsidiary" means, at the time as of which any determination is being made, any corporation, partnership, or other entity of which more than fifty percent (50%) of the issued and outstanding voting securities is owned or controlled, directly or indirectly, by Borrower.

Section 1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

ARTICLE 2 THE LOAN

- Section 2.1 The Loan. Subject to the Conditions Precedent and pursuant to the terms of the Loan Documents, and subject to submission of a Draw Request, Londer agrees to make Advances to Borrower pursuant to the Note from time to time until the Advance Termination Date up to Six Million and no/100 Dollars (\$5,000,000.00). Interest shall accrue on the outstanding principal balance of the Loan as set forth in the Note. All terms and provisions of repayment shall be as set forth in the Note.
- Section 2.2 Purpose of Loan. The proceeds of the Loan shall be used by Borrower for the Project (including, but not limited to, fixtures, furniture, equipment and "soft-costs" related thereto), in accordance with the terms and provisions of this Agreement. To the extent that Borrower requests that Lender fund any Advance to any party other than Borrower, such Advance shall be deemed made to Borrower, and Borrower shall be fully liable for repayment thereof in accordance with the terms of the Loan Documents.
- Section 2.3 Optional Prepayments. The Borrower shall have the right, at any time or from time to time, to permanently prepay the Loan, in whole or in part, without penalty or premium.
- Section 2.4 Payments to Principal Office; Debit Authority. The payments under the Note (including any prepayment and payment of interest) shall be made to Lender at its Principal Office for the account of Lender in United States dollars and in immediately available funds. The Borrower hereby agrees that, in addition to (and without limitation of) any right of set off, banker's lien or counterclaim the Lender may otherwise have, the Lender shall be entitled, at its option, to offset balances held by it at any of its offices against any principal of or interest on the Obligations hereunder which is not paid when due by reason of a failure by the Borrower to make any payment when due to the Lender (regardless whether such balances are then due to the Borrower), in which case it shall promptly notify the Borrower, provided that its failure to give such notice shall not affect the validity thereof.
- Section 2.5 Usury. Lender and Borrower intend to conform strictly to applicable usury laws as presently in effect. Accordingly, Borrower and Lender agree that, notwithstanding anything to the contrary herein or in any agreement executed in connection with or as security for this Agreement, the sum of all consideration that constitutes interest under applicable law which is contracted for, charged, or received in connection herewith shall under no circumstance, including without limitation any circumstance in which the Obligations have been accelerated or prepaid, exceed the maximum lawful rate of interest permitted by applicable law. Any excess interest shall be credited to the outstanding Obligations or, if the Obligations shall have been paid in full, refunded to Borrower, by the holder hereof.

ARTICLE 3 CONDITIONS PRECEDENT

- Section 3.1 Conditions Precedent. The obligation of the Lender to make the Loan is subject to delivery of the following, all in form and substance satisfactory to Lender and its legal counsel:
 - (a) Executed Loan Documents. The Loan Documents duly executed by the applicable parties;
 - (b) Resolutions. A copy of the resolutions of Borrower approving the Loan;
 - (c) Organizational Documents, Copies of Borrower's charter and bylaws;
 - (d) <u>Certificates of Existence</u>. Certified certificates of existence for Borrower from the Secretary of State of Tonnesses;
 - (e) <u>UCC-11</u>. A UCC-11 search report from the Secretary of State of Tennessee;
 - (f) <u>Financial Statements: Tax Returns</u>. Financial statements and most recent tax returns of Borrower;
 - (g) Appraisal. An appraisal of the Premises and review thereof;
 - (h) Evidence of Insurance. Satisfactory evidence of all insurance required under Section 5.1(i) hereof; and
 - (i) Additional Items. Such additional items as Londor may reasonably request.
- Section 3.2 Additional Conditions Precedent. In addition to the Conditions Precedent set forth above, the obligation of the Lender to make any Advance to Borrower is subject to the following additional Conditions Precedent:
 - (a) Borrower shall have provided to Lender copies of invoices for work completed related to the Project; invoices for furniture, fixtures and equipment for the Project; and/or invoices for "soft-costs" related to the Project, to which the requested Advance will be applied;
 - (b) No Default or Event of Default shall have occurred and be continuing hereunder; and
 - (c) All representations and warranties of Borrower set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Advance (except for representations and warranties expressly made as of a specified ordior date, which shall remain true and correct as of said earlier date).

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lender that as of the date of the execution of this Agreement, and as of the date of each Advance, as follows:

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- Section 4.1 Existence and Qualification. Borrower is a duly organized, validly existing nonprofit corporation in existence under the laws of the State of Tennessee.
- Section 4.2 Power and Authorization. Borrower has the requisite power and authority to own its assets and to transact the business in which it is now engaged, or proposed to be engaged in, and is duly authorized and empowered to execute and deliver, and to perform and observe the terms and provisions of, this Agreement and the other Loan Documents executed, or to be executed by Borrower, and to carry out the transactions contemplated hereby and thereby. All action on Borrower's part required to be taken for the due execution, delivery and performance of this Agreement and the other Loan Documents has been duly and effectively taken.
- Section 4.3 Validity of Loan. This Agreement constitutes, and each of the other Loan Documents when executed, acknowledged and delivered, as appropriate, will constitute the logal, valid, and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms,
- Section 4.4 Priority. With the exception of Permitted Liens, Borrower is the owner of the Premises, free and clear from any lien, security interest, or encumbrance.
- Section 4.5 No Default, Legal Bar or Resultant Lien. The execution, delivery and performance by Borrower of this Agreement, the other Loan Documents, and the consummation of the transactions contemplated herein and therein, does not and will not: (i) contravene any provisions of its organizational documents; (ii) cause Borrower to be in default under or violate any provision of any law, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination, or award presently in effect having application to Borrower or to any of its Properties; (iii) result in any breach of, or constitute any default under agreement, contract, lease or instrument to which Borrower is a party or by which Borrower or any of its Properties may be bound or affected; or (iv) result in, or require, the creation or imposition of any lien upon or with respect to any of the Property now owned or hereafter acquired by Borrower other than those liens contemplated by the Loan Documents.
- Section 4.6 No Consent. Borrower's execution, delivery, and performance of the Loan Documents do not require the consent or approval of any other Person, if the failure to obtain the same would result in a Material Adverse Change.
- Section 4.7 Financial Statements. The financial statements for Borrower delivered to Lender in connection herewith arc true, complete and correct in all material respects, and fairly and accurately reflect the assets, liabilities, financial condition and the results of the operations of Borrower as of and for the periods set forth therein, and have been prepared in accordance with GAAP consistently applied. There has been no Material Adverse Change since the date of the most recent financial statements of Borrower delivered to Lender.
- Section 4.8 No Judgments/Litigation. There are no outstanding or unpaid judgments against Borrower. There are no legal, judicial, regulatory, administrative, or arbitration proceedings, investigations, or other claims, actions, suits or proceedings of any nature pending, or, to Borrower's knowledge and not disclosed in writing to Lender, threatened against or affecting Borrower, and to Borrower's knowledge, no event has occurred or condition exists, which with the giving of notice, or the passage of time, or both, could give rise to any such claims, actions, suits or proceedings that are fully covered by insurance, or which, if adversely determined, would not result in a Material Adverse Change.

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- Section 4.9 Compliance with Laws. The Borrower is in compliance in all material respects with all applicable laws, rules, regulations and orders of any Governmental Authority affecting it, its Properties or the Project, including without limitation ERISA and all Environmental Laws, except where the fallure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change,
- Section 4.10 Tax Returns/Taxes. All federal, state and local tax returns of Borrower required to be filed have been filed, and all federal, state and local taxes, assessments, fees or other governmental charges imposed upon Borrower and the Project, which are due and payable, have been paid, except where Borrower is in good faith challenging any of the same and Borrower has established adequate reserves therefor in accordance with GAAP.
 - Section 4.11 Subsidiaries, Borrower has no Subsidiaries.
- Section 4.12 Disclosure. The Borrower has disclosed to the Lender all material agreements, instruments, and partnership or other restrictions to which the Borrower is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Borrower to the Lender in connection with this Agreement or any other Loan Document contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in light of the circumstances under which they were made, not materially misleading.

ARTICLE 5 COVENANTS AND CONDITIONS

- Section 5.1 Affirmative Covenants and Conditions. Borrower hereby covenants and agrees with Lender that:
 - (a) <u>Completion of Construction</u>. Borrower will complete the Project no later than the Advance Termination Date.
 - (b) <u>Right to Inspect Promisos</u>. Lender, and its agents, employees and representatives, shall have the right upon reasonable notice from Lender and during normal business hours to enter upon and to inspect, at Borrower's expense, the Premises, the Project and all labor and materials used or intended to be used in the development, and construction thereof.
 - (c) <u>Books and Records</u>. Horrower will at all times keep and maintain accurate and complete books and records of its operations in connection with the Project. Borrower's books and records shall at all times be maintained at the address for Borrower set forth in this Agreement. Lender, or any of its agents, employees, or representatives, shall have the right to visit Borrower's place or places of business, upon reasonable notice from Lender and during normal business hours, to inspect, audit, check, and make extracts from the books, records, journals, orders, receipts, correspondence, and other data relating to Borrower's operations for the Project.
 - (d) <u>Pinancial Statements and Roports</u>. Borrower shall promptly furnish to Lender:
 - (i) Annual Statements. Within one hundred twenty (120) days after the end of each fiscal year, audited financial statements of the Borrower, prepared by an

accounting firm reasonably acceptable to Lender, including a balance sheet as of the ond of such fiscal year and the related statements of income and cash flows;

- (ii) Monthly Statements. Within thirty (30) days after each calendar month end, company prepared financial statements of the Borrower, including a balance sheet as of the end of such calendar month and the related statements of income and cash flows, certified by an authorized officer of Borrower;
- (ili) <u>Pledge Receivables</u>, Within thirty (30) days after each June 30th and December 31st, company prepared accounting of all Pledges, including outstanding receivables related thereto, certified by an authorized officer of Borrower; and
- (iv) Other, Such other financial data and other information in respect of the Borrower as Lender may reasonably request.
- (c) <u>Notice</u>. Borrower will promptly give Lender written notice of the occurrence of any of the following:
 - (i) the occurrence of any Default;
 - (ii) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of the Borrower, affecting the Borrower which, if adversely determined, could reasonably be expected to result in a Material Adverse Change;
 - (iii) the occurrence of any event or any other development by which the Borrower fails to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, which could reasonably be expected to result in a Material Adverse Change;
 - (iv) any other development that results in, or could reasonably be expected to result in, a Material Adverse Change; and
 - (v) the receipt by Borrower of any notice, written or oral, from any laborer, contractor or materialman to the effect that any laborer, contractor or materialman has not been paid when due for any labor or materials furnished in connection with the construction of the Project.

Bach notice delivered under this Section shall be accompanied by a written statement of an officer of Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

- (f) Existence: Conduct of Business. The Borrower will do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence and will continue to engage in the same business as presently conducted or such other businesses that are reasonably related thereto.
- (g) Compliance with Laws, Etc. The Borrower will comply with all laws, rules, regulations and requirements of any Governmental Authority applicable to its properties, including without limitation ERISA and all Environmental Laws, except where the failure to do

so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

- (h) Taxes. Borrower shall pay and discharge promptly all taxes and governmental charges, levies, charges and assessments affecting it, its Properties, or the Project, except where such taxes and charges are promptly and diligently contested in good faith by Borrower by appropriate proceedings, and where Borrower has established adequate reserves therefor in accordance with GAAP.
- (i) <u>Insurance</u>. Borrower will obtain and maintain, in amount, form and substance, and with insurers satisfactory to Lender, and shall provide to Lender evidence of, the following insurance:
 - (i) <u>Builders Risk</u>. Builder's risk insurance, all risk nonreporting completed value form, insuring the Project against fire, theft, extended coverage, vandalism, and such other hazards as Lender may require, containing standard non-contributing mortgagee loss payable and subrogation clauses, and an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or amendment of any such policy. Copies of such policy, together with appropriate endorsements thereto, and evidence of the payment of the premiums thereon, shall be promptly delivered to Lender upon request. Said insurance coverage is to be kept in full force and effect at all times until the completion of construction of the Project.
 - (ii) Fire and Extended Coverage. Fire, hazard and extended coverage insurance protecting against, but not limited to, fire, theft, malicious mischief, vandalism, and such other hazards as Lender may require any Borrower to carry for the Promises and the Project; containing standard non-contributing mortgageo loss payable clauses and subrogation clauses, and an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or amendment of any such policy. Copies of such policy, together with appropriate undersements thereto, and evidence of the payment of the premiums thereon, shall be promptly delivered to Londer upon request. Said insurance shall be carried in full force and effect for the duration of the Loan.
 - (iii) Public Liability. Comprehensive public liability insurance on an "occurrence basis" insuring Borrower, its general contractor, if any, and Lender against claims for personal injury, including, without limitation, bodily injury, death or property damage, occurring on, in or about the Premises, the Project and the adjoining streets, sidewalls and passageways, which shall contain an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or amendment of such policy. Copies of such policy, together with appropriate endorsements thereto, and evidence of the payment of the premiums thereon, shall be promptly delivered to Lender upon request. Said insurance shall be carried in full force and effect for the duration of the Loan.
 - (iv) Worker's Compensation. Worker's compensation insurance covering Borrower and its general contractor, if any, as required by applicable law, which shall contain an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or amendment of such policy. Copies of such policy, together with appropriate endorsaments thereto, and evidence of the payment of the premiums thereon, shall be promptly delivered to Lender upon request. Said insurance shall be carried in full force and effect for the duration of the Loan.

- (v) Flood. If any of the Premises is located in an area designated as having special flood hazards, whether on the Closing Date or any time thereafter, flood insurance insuring the Premises and the Project shall contain an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or amendment of such policy. Copies of such policy, together with appropriate endorsements thereto, and evidence of the payment of the premiums thereon, shall be promptly delivered to Lender upon request. Said insurance shall be carried in full force and offect for the duration of the Loan.
- (vi) Additional Insurance. Such other insurance, in such amounts and for such terms, as may from time to time be reasonably required by Lender insuring against such other casualties or losses which at the time are commonly insured against by those in Borrower's business or in the case of premises similarly situated, due regard being given to the Premises, the height and type of the improvements thereon, and the construction, location, use and occupancy thereof.

If Borrower fails to comply with the provisions hereof, Lender reserves the right to purchase any such required insurance on Borrower's behalf and add the cost of such to the outstanding Obligations hereunder.

- Obtaining for Lender the benefits of any insurance or other proceeds lawfully or equitably payable to Lender under this Agreement. Borrower shall pay the expenses of an independent appraisal conducted at the request of and on behalf of Lender in case of fire or other casualty affecting the Premises of any of the improvements located thereon. The proceeds of any builder's risk, fire and extended coverage, or other hazard insurance required hereunder may be applied by Lender, in its sole discretion, either to the reduction of the Borrower's Indebtedness to Lender, or to the repair or restoration of any improvement so damaged. Borrower hereby directs all issuers of all insurance policies required hereunder relating to the Premises or the Project to pay all amounts due thereunder directly to Lender, and Borrower hereby irrevocably appoints Lender as Borrower's attorney in fact, which appointment is coupled with an interest, to receive any sums due under such insurance policies, to endorse any drafts or instruments received under such policies, and to make proof of loss for, settle, and give binding acquittances for claims under such policies.
- (k) Further Assurances. Upon request of Lender, Borrower shall promptly execute and deliver to the Lender all such other and further documents, agreements and instruments, and shall do all such other acts or things in compliance with or accomplishment of the terms, provisions, covenants or agreements of the Borrower in this Agreement or the other Loan Documents, or to further evidence, secure or more fully describe any collateral intended as security for the Note, or to correct any omissions in this Agreement or in the other Loan Documents, or to more fully state the obligations set out herein or in any of the Loan Documents, or to perfect, protect or preserve any liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or to obtain any consents, all as may be necessary or appropriate in connection therewith.
- (i) Promotion. Borrower shall permit Lender, at Lender's request, to prepare and maintain, during construction, at Lender's expense, a sign on the Project in color, content and dimensions acceptable to Lender (and which comply with any applicable laws or regulations) which prominently denotes Lender as the construction lender for the Project. In the event that applicable law does not permit more than one sign on the Project, Borrower hereby covenants to

prominently include Lender's name on such sign. Additionally, Borrower hereby consents to Lender creating lucites memorializing the Loan and distributing such to parties involved the documentation and closing of the Loan.

- (m) <u>Depository Accounts</u>. As consideration for the interest rate charged under the Note and to further secure repayment of the Note, Borrower shall maintain its primary depository and treasury management accounts with Lender, including a separate deposit account for deposit of any and all Pledges.
- (n) <u>Lien on Pledges</u>, Borrower hereby grants Lender a lien on all Pledges, including all products and proceeds thereof, as collateral for the Obligations.
- (o) Deed of Trust. In the event that the Obligations have not been paid in full on or before July 20, 2019, Borrower shall execute a deed of trust in favor of Lender, in form and substance reasonably acceptable to Lender, granting a Lieu to Lender as collateral for the Obligations on such portion of the Premises, as necessary and as reasonably determined by Lender, so that the ratio of the (i) outstanding principal balance of the Note to (ii) the current appraised value of the pledged Premises is less than or equal to 0.80 to 1.00. In connection with the execution of such deed of trust, Borrower, at Borrower's expense, shall provide to Lender all diligence typical with the granting of a lieu on commercial real property, including without limitation title insurance, a survey, an environmental report, and a current appraisal.
- Section 5.2 Negative Covenants. Borrower hereby covenants and agrees with Lender that, without Lender's prior written consent, Borrower will not:
 - (a) <u>Discontinuence of Business: Dissolution; Etc.</u> Discontinue its usual business, or commence to dissolve, wind-up or liquidate itself.
 - (b) Acquisitions: Mergers: Disposition of Assets: Etc. Merge or consolidate with or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or acquire all or substantially all of the assets or the business of any Person. Notwithstanding the foregoing, Lender hereby consents to the acquisition of certain hospice-related assets used by Hospice of Chattanooga, Inc., a Tennessee nonprofit corporation, associated with Upper Cumberland Hospice and Palliative Care and its Putnam County, Tennessee operations and its wholly-owned subsidiary Upper Cumberland Hospice and Palliative Care, LLC, such acquisition scheduled to occur after the Closing Date.
 - (c) Additional Indebtedness. In addition to the Loan evidenced hereby, incur any additional Indebtedness in excess of \$750,000 in the aggregate without the prior written consent of Lender, Notwithstanding the foregoing, Borrower may incur additional Indebtedness to the Lender under any separate line of credit or loan agreement between the Borrower and the Lender whother now existing or hereafter arising, subject to the terms and conditions contained therein.
 - (d) <u>Liens</u>. Create, incur, assume or suffer to exist any Lien on the Premises, except for Permitted Liens, or any
 - (e) <u>Proceeds</u>. Permit the proceeds of the Note to be used for any purpose other than those permitted under this Agreement.

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- (f) <u>Creation of Subsidiaries. Etc.</u> Create, purchase, or otherwise acquire any Subsidiary, unless such Subsidiary guaranties the Loan in a manner satisfactory to Lender.
- (g) Change of Management. Anna-Gene O'Neal and Joseph Hampe both cease to be involved in the day to day operation and management of the Borrower and each position held by them is not replaced by executive officers of comparable skill and experience or individuals otherwise reasonably acceptable to the Lender within 180 days after the last day of either's involvement with the Borrower.

ARTICLE 6 EVENTS OF DEFAULT

Any of the following shall be considered an Event of Default (and shall be considered a Default pending the passage of time, giving of notice or other condition specified below):

- Section 6.1 Nonpayment of Principal or Interest. The Borrower shall fail to pay any principal or interest on the Loan, or any other payments due in accordance with the Loan Documents, within ten (10) days of when such shall become due and payable; or
- Section 6.2 Breach of Representation or Warranty. Any material representation or warranty made by Borrower in this Agreement or in any other Loan Document, or which is contained in any certificate, instrument, document, opinion or financial or other statement furnished at any time under or in connection with this Agreement or any Loan Document shall prove to have been incorrect, false or misleading in any material respect on or as of the date made or deemed made; or
- Section 6.3 Breach of Covenant. The Borrower shall fail to observe or perform any covenant or agreement contained in Sections 5.1(d), (e), or (i), or 5.2; or the Borrower shall fail to observe or perform any other covenant or agreement contained in this Agreement (other than those referred to in Section 6.1 and the first sentence of this Section 6.3), and such failure shall remain unremedied for thirty (30) days after the earlier of (i) any officer of the Borrower becomes aware of such failure, or (ii) notice thereof shall have been given to the Borrower by the Lender; or
- Section 6.4 Bankruptcy or Insolvency. Any of the following shall occur or exist: (a) the appointment of a receiver trustee, oustodian, conservator, or liquidator for Borrower, the Premises, the Project, or any other Property of Borrower and such appointment is not dismissed within thirty (30) days after such appointment; (b) a filing by Borrower of a voluntary petition in bankruptcy, or a petition seeking reorganization or rearrangement or taking advantage of any debtor relief laws; (c) the filing against Borrower of a petition in any bankruptcy, reorganization, insolvency, conservatorship, receivership or similar proceeding and either (i) Borrower admits the material allegations thereof, or acquiesces therein or fails to contest the same, or (ii) the petition or action is not dismissed or discharged within sixty (60) days following the date of its filing; (d) the entry of all order, Judgment or decree by any court of competent jurisdiction adjudicating Borrower as bankrupt or insolvent, and the same is not dismissed within sixty (60) days after the filling of the same, or approving a petition seeking reorganization of Borrower or any arrangement of any Borrower's debts, including entry of any Order for Relief under Title 11 of the United States Code; (e) an admission by Borrower in writing of its inability, or the failure by Borrower to pay its debts as they become due; (f) the making by Borrower of a general assignment for the benefit of oreditors; or (g) the liquidation, termination, or dissolution of Borrower; or
- Section 6.5 Abandonment or Construction of Construction. Development or construction of the Project shall be abandoned or shall cease and not be resumed within thirty (30) days thereafter, or

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Borrower shall not proceed diligently and continuously with the development, construction and completion of the Project (casualties beyond the reasonable control of Borrower excepted); or

- Section 6.6 Fire or Casualty. Should the Premises, the Project or a material portion of Borrower's Property be materially damaged or destroyed by fire or other casualty, which is not adequately covered by insurance (as determined by Lender) to effect the full and complete repair or restoration of same; or
- Section 6.7 Judgment. Any court or other governmental authority renders judgment against Borrower for the payment of money in excess of \$100,000, payment of which is not fully covered by valid collectible insurance; or
- Section 6.8 Default on Other Debt or Security. Subject to any applicable grace or cure period, Borrower fails to make any payment due on any Indebtedness, or any event shall occur or any condition shall exist in respect of any Indebtedness of Borrower, or under any agreement securing or relating to such Indebtedness, the effect of which is to cause or to permit any holder of such Indebtedness or a trustee to cause (whether or not such holder or trustee elects to cause) such Indebtedness, or a portion thereof, to become due prior to its stated maturity or prior to its regularly scheduled date of payment.

ARTICLE 7 REMEDIES OF LENDER

- Seatlon 7.1 Acceleration. Upon the occurrence of an Event of Default, Lender shall, at its option be entitled to, in addition to and not in lieu of the remedies provided for in any of the Loan Documents, declare the entire principal amount of the Obligations then outstanding, including principal, interest (with principal and unpaid interest bearing interest following any Event of Default at the Default Rate, as set forth within the Note), costs, fees and expenses, to be immediately due and payable without presentment, demand, notice of protest, protest, or dishonor or other notice of any default of any kind, all of which Borrower hereby expressly waives; provided however, that upon the occurrence of an event specified in Section 6.4 herein, all Obligations shall be immediately due and payable in full, without presentment, demand, protest, notice of protest, or dishonor or notice of any kind, and Lender shall be entitled to exercise any and all remedies available by contract; at law or in equity to collect such amounts.
- Section 7.2 Remedies under Uniform Commercial Code; Other Loan Documents. Upon the occurrence of an Event of Default, Lender may also exercise any and all rights and remedies afforded by the Uniform Commercial Code of the State of Tennessee, both at law and at equity, and by any and all other Loan Documents, as such is applicable to the collateral granted herounder.
- Section 7.3 Lender's Performance of Borrower's Covenants and Duties. Should any covenant, duty or agreement of Borrower fall to be performed in accordance with its terms hereunder subject to any applicable notice and cure period, the Lender may, at its option, perform, or attempt to perform, such covenant, duty or agreement on behalf of Borrower. Borrower shall, at the request of Lender, promptly pay any reasonable amount expended by the Lender in such performance or attempted performance to the Lender, together with interest thereon at the Default Rate from the date of such expenditure by the Lender until poid; provided, however, that the Lender does not assume and shall not have, except by express written consent of the Lender, any liability for the performance of any duties of Borrower under this Agreement or under the other Loan Documents.
- Section 7.4 No Walver. The acceptance by the Lender at any time and from time to time of part payment of the Note shall not be deemed to be a waiver of any Default or Event of Default then existing. No delay or omission by Lender to exercise any right, power, or remedy accruing to the Lender

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upon any breach or default of Borrower under this Agreement or the other Loan Documents shall impair any such right, power, or remedy of the Leader, nor shall it be construed to be a waiver of any such breach or default or an acquiescence therein, or in any similar breach or default thereafter occurring; nor shall any single or partial exercise of any such right or power preclude other or further exercise thereof, or the exercise of any other right or power of the Lender under this Agreement or the other Loan Documents; nor shall any waiver or any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring, or be deemed to be a continuing waiver. Any waiver, permit, consent or approval of any kind or character on the part of the Lender of any breach of default under this Agreement or the other Loan Documents, or any waiver on the part of the Lender of any provision or condition of this Agreement or the other Loan Documents, must be in writing and shall be effective only to the extent specifically, set forth in such writing.

Section 7.5 Remedies of Londer Cumulative. All rights and all remedies available to the Lender hereunder or under the other Loan Documents shall be cumulative and in addition to all other rights and remedies granted to the Lender by contract, at law or in equity, and may be exercised from time to time, and as often as may be deemed expedient by the Lender, whether the Note is due and payable and whether or not the Lender shall have instituted any suit for collection, foreclosure or other action in connection with this Agreement or the other Loan Documents.

ARTICLE 8 MISCELLANEOUS

Third Parties. All conditions of Lender's obligations hereunder, including the Section 8.1 obligations to make Advances, are imposed solely and exclusively for the benefit of Lender, its successors and assigns. No other person or entity shall have standing to require satisfaction of such conditions in accordance with their terms, or be entitled to assume that Lender will refuse to make Advances in the absence of strict compliance with any or all of the terms and conditions hereof, and no other person or entity shall, under any circumstance, be deemed to be a beneficiary of such conditions, any and all of which may be waived in whole or in part by Lender at any time and from time to time, in its sole discretion. Lender makes no representations and assumes no obligation to third parties concerning the quality of the development or construction of the Project or the absence of defects therefrom. Borrower shall indemnify Lender from any liability, claims or losses resulting from the disbursement of the proceeds of the Loan or from the condition of the Project, whether related to the quality of construction or otherwise, and whether arising during or after the term of this Agreement. The foregoing provision shall survive the term of this Agreement and the repayment of the Loan and shall continue in full force and effect so long as the possibility of such liabilities, claims, or losses exists. Borrower has represented, and Lender has expressly relied upon such representation, that Borrower has negotiated with Lender solely for a loan of money and not for administrative, technical, legal, financial or architectural advice or expertise.

Section 8.2 Successors and Assigns. All of Lender's rights and remedies herounder shall inure to the benefit of its successors and assigns. All of the duties and obligations of Borrower hereunder shall bind all Borrowers and their respective successors. Borrower may not assign its rights or delegate its duties hereunder, and any attempt at such assignment or delegation shall be void. Lender reserves the right to assign its rights and remedies and delegate its duties hereunder.

Section 8.3 Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. It is the intention of the parties that if any such provision is determined to be invalid, illegal or

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unenforceable, there shall be added in lieu thereof a provision as similar in terms to such provision as is possible so as to be valid, legal and enforceable.

Section 8.4 Waivers. As provided in T.C.A. Section 47-50-112, no custom, conduct, action or course of dealing on the part of Lender, its officers, employees, consultants, or agents, nor any failure or delay by Lender with respect to exercising any right, power, or privilege of Lender under the Note, this Agreement, or any other Loan Document shall operate as a waiver thereof, except as otherwise provided in this Agreement. Lender may from time to time waive any requirement hereof, including any of the Conditions Precedent, but no waiver shall be effective unless in writing and signed by Lender. The execution by Lender of any waiver shall not obligate Lender to grant any further, similar, or other waivers.

Section 8.5 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and this Agreement supersedes all previous negotiations, discussions and agreements between the parties with respect to the subject matter hereof including, without limitation, any commitment letter between Borrower and Lender, and no parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof. Neither this Agreement nor any term or provision hereof may be amended, waived, discharged or terminated orally, but only by a writing signed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

Section 8.6 Choice of Law. This Agreement and the other Loan Documents have been negotiated, made, executed and delivered in Nashville, Tennessee. The validity and construction of this Agreement and the other Loan Documents shall be governed by and construed in all respects in accordance with the laws of the State of Tennessee. BORROWER HEREBY CONSENTS TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE AND ALL OF THE STATE COURTS SITTING IN DAVIDSON COUNTY, TENNESSEE. FURTHER, BORROWER AGREES THAT THE EXCLUSIVE VENUE FOR ANY LITIGATION REGARDING THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE WITH COURTS SITTING IN DAVIDSON COUNTY, TENNESSEE.

Section 8.7 Time. TIME IS OF THE ESSENCE WITH REGARD TO EACH AND EVERY PROVISION HEREOF.

Section 8.8 Notices. All notices required or allowed to be given hereunder shall be in writing, and shall be personally delivered, or sent by Federal Express or other recognized overnight express courier service, or sent by United States Mail, first-class, postage propaid, certified with return-receipt requested, addressed to the party to whom such notice is given as follows:

TO THE LENDER:

Pinnacle Bank

150 Third Avenue South, Sulte 800

Nashvillo, TN 37201 Attn: Allison Jones

with copy to:

Bradley Arant Boult Cummings LLP 1600 Division Street, Suite 700

Nashville, TN 37203

Attn: Bob Hannon

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TO THE BORROWER:

Alive Hospice, Inc. 718 Patterson Street Nashville, TN 37203 Atm: Joseph Hampe

with copy to:

Bass Berry & Sims

150 Third Avenue South, Suite 2800

Nashville, TN 37201 Attn: Nathaniel Greene

Any such notice shall be deemed to be given, if personally delivered, on the date such notice is personally delivered to the address set forth above for the party to whom such notice is given; if sent by Federal Express, or other recognized overnight express courier service, on the date said notice—is—dispatched or deposited with said courier service, all charges prepaid, addressed as herein provided; and, if mailed, on the date said notice is deposited in the United States Mail, first-class, postage prepaid, cortified with return-receipt requested, addressed as herein provided. Any party may change the address to which notices hereinder are to be sent by giving written notice thereof to the other parties as set forth herein.

Section 8.9 Counterparts; Imaging. This Agreement may be executed in one or more counterparts, and once combined shall constitute a single original. Borrower acknowledges that imaged or copied versions of the Loan Documents are fully enforceable, and original documents are not required for Londer to enforce its rights thereunder.

Section 8.10 Nature of Commitment. With respect to each disbursement or advance hereunder, the Lender's obligations to make such disbursement or advance shall be deemed to be pursuant to a contract to make a loan or extend debt financing or financial accommodations to Borrower within the meaning of Sections 363(c)(2) and 365(e)(2)(B) of the Bankruptcy Code of the United States of America, 11 U.S.C. § 101 et seq., or any subsequent bankruptcy legislation in effect during the term of this Agreement.

Section 8.11 Expenses. Borrower will pay all costs and expenses in connection with, and pertaining to, the closing of this Agreement, and all costs and expenses in connection with the preparation, execution, recording, filing, disbursement, transfer, administration, modification, collection and enforcement of this Agreement and the other Loan Documents, including, but not limited to, reasonable legal fees, accounting fees, advances, recording expenses, transfer taxes, other filing and recording fees and taxes, surveys, appraisals, and other similar items. In the event of any action at law or suit in equity in connection with this Agreement or the other Loan Documents, or any Default or Event of Default by Borrower under this Agreement or the other Loan Documents, or Lender retains legal counsel in connection with this Agreement or the other Loan Documents, Borrower, in addition to all other sums which such Borrower may be required to pay, shall pay to the Lender the reasonable attorney's fees of Lender. Borrower shall also be responsible for all reasonable attorneys' fees, costs and expenses that the Lender incurs in protecting, preserving, or enforcing its interest in any collateral under the Loan Documents.

Section 8.12 Relationship of Leader and Borrower. Lender and Borrower intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Agreement or in the other Loan Documents, nor the consummation of the transactions contemplated herein or therein, shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture, or co-ownership by or between Lender and Borrower, or to create a relationship between

Lender and Borrower other than that of creditor and debtor, or to cause the Lender to be liable or responsible in any way for the actions, liabilities, debts, or obligations of the Borrower.

Section 8.13 Jury Trial Waiver. BORROWER AND LENDER HEREBY EACH WAIVE ANY RIGHT TO A JURY TRIAL ON ANY CAUSE OF ACTION ARISING WITH RESPECT TO THE BORROWERS' LIABILITY HEREUNDER.

Section 8.14 Waiver of Certain Damages. In any action to enforce this Agreement, the Note or any other Loan Document, Borrower hereby irrevocably and unconstitutingly waiven any and all again under the laws of any state to claim or recover any special, exemplary, punitive, consequential or other damages other than actual direct damages.

Section 8.15 Participation. Lendor shall have the right to enter into one or more participation agreements with one or more participating lenders approved by Lender on such terms and conditions as Lender shall deem advisable.

Section 8.16 Distribution of Information. Borrower hereby authorizes Lender, as Lender may elect in its sole discretion, to discuss with and furnish to any affiliate of Lender, to any government or self-regulatory agency with jurisdiction over Lender, or to any participant or prospective participant, all financial statements, audit reports and other information pertaining to Borrower whether such information was provided by Borrower or prepared or obtained by Lender or third parties. Neither Lender nor any of its employees, officers, directors or agents make any representation or warranty regarding any audit reports or other analyses of Borrower, which Lender may elect to distribute, whether such information was provided by Borrower or prepared or obtained by Lender or third parties, nor shall Lendar or any of its employees, officers, directors or agents be liable to any Person receiving a copy of such reports or analyses for any inaccuracy or omission contained in such reports or analyses or relating thereto.

Section 8.17 Term of This Agreement. This Agreement shall be binding on the Borrower so long as any portion of the Obligations described herein remains outstanding, provided and except, Borrower's representations, warranties, and indemnity agreements shall survive the payment in full of the Obligations.

[signatures commence on the next page]

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first set forth above.

BORROWER:

ALIVE HOSPICE, INC.

Joseph Hampe,

Chief Financial Officer

LENDER:

PINNACLE BANK

y: (Allison)

Senior Vice President

June 28, 2018 12:58 pm

EXHIBIT A

Form of Draw Request

Pinnacle Bank 150 Third Avenue South, Suite 800 Nashville, TN 37201 Attention: Allison Jones	
Dear Mrs. Jones:	
effect on the date hereof, the "Loan Agreeme Bank, as Lender. Terms defined in the Loan notice constitutes a Draw Request, and the Agreement in the amount of \$	Agreement dated as of July 20, 2016 (as amended and in ant"), between the undersigned, as Borrower, and Pinnaole Agreement are used herein with the same meanings. This Borrower hereby requests an Advance under the Loan, and in that connection the Borrower represents and itions Precedent set forth within Scotion 3.2 of the Loan
	Very truly yours,
	ALIVE HOSPICE, INC.
	Ву;
	Title;

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AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY: Mule Hospice Ac Reidential Facility - Munficentias
Renderial Failty- Murpellows
I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the
applicant named in this Certificate of Need application or the lawful agent thereof, that I
have reviewed all of the supplemental information submitted herewith, and that it is true,
accurate, and complete.
Signature/Title
Sworn to and subscribed before me, a Notary Public, this the 28th day of 1012, 2018,
witness my hand at office in the County of, State of Tennessee.
NOTARY PUBLIC
My commission expires $\frac{M_{ay}}{2}$, $\frac{2022}{2}$.
HF-0043
Revised 7/02